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In the matter of:

OFFICE OF GENERAL
COUNSEL

The Arizona Sports Foundation
(dba "the Fiesta Bowl")
John H. Junker
Susan Junker
Natalie Aguilar Wisneski
Richard Wisneski
Anthony Aguilar
Jay Fields
Jamie Fields
Shawn Schoeffler
Peggy Eyanson
Lee Eyanson
Mary McGlynn
Monica Simental
Scot Asher

MUR No. 6465

COMPLAINT

1. Citizens for Responsibility and Ethics in Washington ("CREW") and Melanie Sloan bring this complaint before the Federal Election Commission ("FEC") seeking an immediate investigation and enforcement action against the Arizona Sports Foundation (dba "the Fiesta Bowl"), John H. Junker, Susan Junker, Natalie Aguilar Wisneski, Richard Wisneski, Anthony Aguilar, Jay Fields, Jamie Fields, Shawn Schoeffler, Peggy Eyanson, Lee Eyanson, Mary McGlynn, Monica Simental and Scot Asher for direct and serious violations of the Federal Election Campaign Act ("FECA").

Complainants

2. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials and to ensuring the integrity of

reporting requirements includes mandating that all reports of receipts and disbursements required by the FECA are properly and timely filed with the FEC. CREW is hindered in its programmatic activity when the FEC fails to properly administer the FECA's reporting requirements.

6. Complainant Melanie Sloan is the executive director of Citizens for Responsibility and Ethics in Washington, a citizen of the United States and a registered voter and resident of the District of Columbia. As a registered voter, Ms. Sloan is entitled to receive information contained in reports of receipts and disbursements required by the FECA, 2 U.S.C. § 434(a)(2); 11 C.F.R. § 104.1. Ms. Sloan is harmed when a candidate, political committee or other regulated entity fails to report campaign finance activity as required by the FECA. See FEC v. Akins, 524 U.S. 11, 19 (1998), quoting Buckley v. Valeo, 424 U.S. 1, 66-67 (1976) (political committees must disclose contributors and disbursements to help voters understand who provides which candidates with financial support). Ms. Sloan is further harmed when the FEC fails to properly administer the FECA's reporting requirements, limiting her ability to review campaign finance information.

Respondents

7. The Arizona Sports Foundation (dba "the Fiesta Bowl") is a 501(c)(3) organization with its principal place of business in Arizona.

8. John H. Junker is the former President and Chief Executive Officer of the Fiesta Bowl. Susan Junker is the spouse of John H. Junker.

9. Natalie Aguilar Wisneski is the former Chief Operating Officer of the Fiesta Bowl. Richard Wisneski is the spouse of Natalie Aguilar Wisneski. Anthony Aguilar is the former Director of Community and Corporate Relations for the Fiesta Bowl and the brother of Natalie Aguilar Wisneski.

10. Jay Fields is the former Senior Vice President of Marketing for the Fiesta Bowl. Jamie Fields is the spouse of Jay Fields.

11. Shawn Schoeffler is the former Vice President of Media Relations for the Fiesta Bowl.

12. Peggy Eyanson is the former Director of Business Operations for the Fiesta Bowl. Lee Eyanson is the spouse of Peggy Eyanson.

13. Mary McGlynn is the former Director of Ticket Operations for the Fiesta Bowl.

14. Monica Simental is the former Executive Assistant to Natalie Aguilar Wisneski.

15. Scot Asher was a former volunteer at the Fiesta Bowl.

Factual Allegations

16. On October 8, 2010, the Board of Directors of the Fiesta Bowl authorized a Special Committee of the Board of Directors to conduct an investigation of allegations that the Fiesta Bowl had reimbursed employees for campaign contributions made to Arizona politicians. The Special Committee retained the firm of Robins, Kaplan, Miller & Ciresi LLP to conduct the investigation. On March 21, 2011, after a comprehensive investigation, Robins, Kaplan Miller & Ciresi LLP released its Final Report to the Special Committee of the Board of Directors of the Fiesta Bowl (attached as Exhibit A). The Final Report concluded that, under the direction of President and Chief Executive Officer John H. Junker, the Fiesta Bowl had used corporate funds to reimburse twenty-one individuals for at least \$46,539 in campaign contributions to Arizona politicians since 2000. See Exhibit A at 25-67.

17. The Final Report demonstrated that a majority of these contributions (\$28,500) had been made to federal candidates and committees since January 1, 2006. Specifically, the Final Report found evidence that the Fiesta Bowl, under the direction of President and Chief

Executive Officer John H. Junker, had used corporate funds to reimburse thirteen individuals for the following campaign contributions to federal candidates and committee since January 1, 2006:

<u>Name</u>	<u>Date</u>	<u>Amount</u>	<u>Recipient</u>
John H. Junker	4/28/06	\$1,000	Straight Talk America
John H. Junker	3/8/07	\$2,100	John McCain
John H. Junker	6/30/09	\$1,000	John McCain
Susan Junker	6/16/06	\$500	Jon Kyl
Susan Junker	10/18/06	\$1,500	J.D. Hayworth
Susan Junker	3/8/07	\$2,100	John McCain
Natalie Aguilar Wisneski	4/28/06	\$1,000	Straight Talk America
Natalie Aguilar Wisneski	3/8/07	\$2,100	John McCain
Natalie Aguilar Wisneski	6/30/09	\$1,000	John McCain
Richard Wisneski	3/8/07	\$2,100	John McCain
Anthony Aguilar	2/23/06	\$500	Jon Kyl
Anthony Aguilar	5/3/06	\$250	John Shadegg
Jay Fields	10/18/06	\$600	J.D. Hayworth
Jay Fields	3/28/08	\$1,000	John McCain
Janie Fields	4/28/06	\$1,000	Straight Talk America
Shawn Schoeffler	10/18/06	\$600	J.D. Hayworth
Shawn Schoeffler	3/28/08	\$1,000	John McCain
Shawn Schoeffler	6/30/09	\$1,000	John McCain
Peggy Eyanson	6/16/06	\$1,500	Jon Kyl
Peggy Eyanson	10/18/06	\$1,250	J.D. Hayworth

Lee Eyanson	5/6/06	\$500	John Shadegg
Lee Eyanson	3/28/08	\$1,000	John McCain
May McGlynn	4/28/06	\$1,000	Straight Talk America
Monica Simental	10/18/06	\$300	J.D. Hayworth
Monica Simental	3/8/07	\$2,100	John McCain
Scot Asher	2/23/06	\$500	Jon Kyl

Id.

18. The Final Report also found that the Fiesta Bowl used corporate resources and facilities to host fundraising events for federal candidates and committees. Specifically, the Final Report found that Fiesta Bowl employees organized fundraising events for federal candidates and committees at the Fiesta Bowl Museum, coordinated invitation lists, set up the Museum, attended and helped out during the events, and provided contributions that were later reimbursed by the Fiesta Bowl. See Exhibit A at 183-186.

19. The Final Report found that the Fiesta Bowl used corporate resources and facilities to host a fundraising event for Rep. J.D. Hayworth (R-AZ) on or about October 18, 2006. See Exhibit A at 185-186. On information and belief, the Fiesta Bowl also used corporate resources to organize a fundraising events for Straight Talk America on or about April 28, 2006 and two fundraising events for Senator John McCain (R-AZ) on or about March 8, 2007 and March 28, 2008. See Exhibit A at 185, n. 974.

COUNT I

20. FECA and FEC regulations prohibit the making of a contribution in the name of a person other than the true source of the contribution. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(i).

21. By reimbursing employees for contributions made to federal candidates and committees, the respondents violated 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(1)(i).

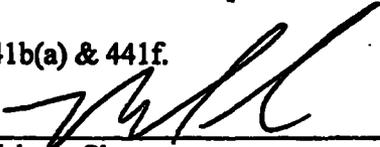
COUNT II

22. FECA and FEC regulations prohibit corporations from making contributions in connection with any federal election. 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2(a). FEC regulations also specifically prohibit the use of corporate resources or facilities to engage in fundraising activities for federal candidates and committees. 11 C.F.R. § 114.2(f).

23. By reimbursing employees and others with corporate funds for contributions made to federal candidates and committees and by using corporate resources and facilities to raise funds for federal candidates and committees, the respondents violated 2 U.S.C. § 441b(a), 11 C.F.R. § 114.2(a) and 11 C.F.R. § 114.2(f).

CONCLUSION

WHEREFORE, Citizens for Responsibility and Ethics in Washington and Melanie Sloan request that the Federal Election Commission conduct an investigation into these allegations, declare the respondents to have violated the Federal Election Campaign Act and applicable FEC regulations, and impose sanctions appropriate to these violations and take such further action as may be appropriate, including referring this case to the Justice Department for criminal prosecution of any violations of 2 U.S.C. §§ 441b(a) & 441f.



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Citizens for Responsibility and Ethics
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Verification

**Citizens for Responsibility and Ethics in Washington and Melanie Sloan hereby verify
that the statements made in the attached Complaint are, upon information and belief, true.**

Sworn pursuant to 18 U.S.C. § 1001.



Melanie Sloan

Sworn to and subscribed before me this 5th day of April, 2011.


Notary Public

**Lisa Drew
District of Columbia, Notary Public
My Commission Expires
July 31, 2014**

**Counsel to the Special Committee
of the Board of Directors of the Fiesta Bowl**

Final Report

Public Version

March 21, 2011

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This report is addressed to the Special Committee of the Board of Directors of the Fiesta Bowl from its counsel. The report is counsel's report—as reviewed and approved by the Special Committee. This public version has had removed from it information subject to contractual confidentiality provisions, as determined by the Fiesta Bowl. All decisions related to the publication of this report, and the scope of any waivers needed to make it publicly available, have been made by the Fiesta Bowl, and not by the Special Committee or its counsel.

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I. Investigative procedure

The Special Committee retained counsel to conduct its investigation, and this report is counsel's report to the Special Committee. Robins, Kaplan, Miller & Ciresi L.L.P., in conjunction with independent professional investigators it selected, conducted the investigation by interviewing witnesses, reviewing electronically swept documents, reviewing paper documents, and making targeted requests for materials from certain witnesses. The investigation was conducted entirely by attorneys or professionals working at the law firm at the direction of attorneys, including a former auditor and a certified public accountant. Nevertheless, the report, including any and all data set forth herein, should not be used as a basis on which to create or modify tax returns. Preparing or amending the Fiesta Bowl's tax returns was not part of the Special Committee's charge and will require the additional rigor associated with such an endeavor.

Counsel to the Special Committee reviewed more than 55GB of electronic data, roughly 10,000 additional documents that had been scanned and coded, and thousands of pages of additional paper materials gathered from the Fiesta Bowl's offices or from its employees' or consultants' records.

Cites to selected portions of these records are made in the footnotes of this report using a prefix and a number. The first-letter prefix of these cites refer to the supporting materials gathered by counsel to the Special Committee:

C	Cancelled checks from Peggy Eyanson's ledger; Eyanson's ledger	P	Political contribution forms
E	Expense reports, American Express statements, Charts of Accounts	R	Documents cited in the report or related to it but not otherwise placed in another category

Citations to "Schedules" are to spreadsheets created by counsel to the Special Committee from public documents or from the record documents.

Counsel, in conjunction with several independent professional investigators, also conducted the following interviews over a four-month period:

	Name	Relationship to Fiesta Bowl (Title)	Interview Date(s)
1.	Aguilar, Anthony	Employee (Director of Community and Corporate Relations)	11-24-10, 12-21-10, 2-1-11
2.	Alba, Tony	Employee (Director of Media Operations)	12-21-10
3.	Allen, Mike	Former Board member	12-8-10, 2-15-11
4.	Asher, Scot	Volunteer	11-3-10, 2-15-11
5.	Bagnato, Andy	Employee (Director of Public Relations)	1-20-11
6.	Baker, Julie	Employee (Graphic Manager)	12-2-10
7.	Brewer, Michael	Former contractor to G. Woods (attorney)	1-19-11
8.	Brown, Aaron	Consultant (Owner of Blue Steel Consulting, Inc.; Maricopa County Sheriff's Office)	12-16-10, 1-19-11
9.	Cannon, Patrick	Employee (Director of Events)	12-13-10
10.	Chappin, Gina	Former employee, presently a media relations employee of the Rose Bowl	2-24-11
11.	Ciszczon, Bonnie	Employee (Staff Accountant)	1-18-11
12.	Conaway, Chris	Employee (Senior Accountant)	2-2-11
13.	Coughlin, Charles	Arizona HighGround	12-16-10
14.	Crutchfield, Alex	Former Board Chair	1-19-11

	Name	Relationship to Husk Bowl (Title)	Interview Date(s)
15.	D'Angelo, Adam (joint interview with George McNamara)	Consultant (Partner, Pricewaterhouse-Coopers)	1-19-11
16.		Consultant (Senior Manager, Pricewaterhouse-Coopers)	
17.	Duncan, Donnie	Consultant	1-6-11
18.	Ellis, Kemp	Board member	12-8-10, 3-3-11
19.	Eyanson, Peggy	Employee (Director of Business Operations)	11-10-10, 11-29-10, 1-13-11, 2-3-11, 3-3-11
20.	Fields, Jay	Employee (Senior Vice President of Marketing)	11-24-10, 12-9-10, 1-19-11
21.	Flores, Armando	Former Board Chair	2-15-11
22.	Goldfine, Dan	Attorney (Snell & Wilmer)	1-20-11
23.	Gregory, Lindsey	Employee (Membership Development Manager)	2-2-11
24.	Guerra, Tracy	Employee (Director of Game Day Management)	12-10-10
25.	Hayden, William	Attorney (Snell & Wilmer)	1-20-11
26.	Hickey, Kevin	Former Board Chair	1-28-11, 2-18-11
27.	Holt, Angela	Employee (Controller, Chief Financial Officer)	11-23-10, 11-30-10
28.	Horrell, Steve	Former Board Chair	2-15-11
29.	Husk, Gary	Consultant (Husk Partners; Gary Husk Attorney at Law)	11-3-10, 1-12-11, 1-31-11, 2-10-11 ¹
30.	Johnson, Charles	Consultant	12-9-10, 3-3-11
31.	Junker, John	Employee (President, Chief Executive Officer)	1-11-11, 1-31-11

¹ On March 3, 2011, counsel to the Special Committee also met with Husk's attorney alone to discuss certain aspects of the investigation.

	Name	Relationship to Fiesta Bowl (Title)	Interview Date(s)
32.	Keogh, Kelly	Employee (Executive Manager for John Junker)	11-22-10, 1-13-11
33.	Levitt, Leon	Former Board Chair	2-18-11
34.	Lewis, Daniel	Board member	12-16-10
35.	Lulla, Joel	Attorney	1-27-11
36.	Martin, Christine	Employee (Director of Team Services)	12-10-10
37.	Martin, Dave	Senior Associate Athletics Director, Oklahoma State University	1-24-11
38.	McGlynn, Mary	Employee (Director of Ticket Operations)	11-23-10
39.	Pumphrey, Erika	Employee (Director of Sales)	1-18-11
40.	Schoeffler, Shawn	Former employee (Vice President, Media Relations)	11-18-10
41.	Simental, Monica	Employee (Executive Assistant to Natalie Wisneski)	11-10-10, 1-13-11, 2-15-11
42.	Stemple, Dick	Former Board Chair	2-15-11
43.	Tilson, Dávid	Former Board Chair	11-22-10, 2-15-11
44.	Vinciguerra, Mark	Board member	12-21-10
45.	Williams, Craig	Attorney (Snell & Wilmer); Fiesta Bowl General Counsel	12-8-10, 1-20-11
46.	Wisneski, Natalie	Employee (Chief Operating Officer)	12-9-10, 12-17-10, 2-2-11, 2-10-11, 2-16-11, 3-3-11
47.	Woods, Duane	Board Chair	12-16-10, 1-20-11, 2-1-11
48.	Woods, Grant	Attorney (Grant Woods, P.C.)	11-23-10, 1-12-11, 2-2-11, 3-3-11
49.	Young, Alan	Former Board Chair	12-16-10, 2-18-11
50.	Zachow, Maureen	Paralegal (Snell & Wilmer)	12-20-10

	Name	Relationship to Nesta Bowd (Title)	Interview Date(s)
51.	Zidich, John	Board member	12-8-10
52.	Ziegler, Ellie	Former Board Chair	1-5-11, 2-15-11

Counsel to the Special Committee interviewed 52 individuals, some on multiple occasions, for a total of 87 interviews. Certain individuals were interviewed on multiple occasions, for a number of reasons. In some cases, an interview could not be completed during the scheduled time. In others, counsel learned additional information that required an additional interview. In still others, counsel to the Special Committee provided an individual the opportunity to respond to allegations that had been made by others, or to information contained in documents. In a few instances, follow-up questions were posed by email. The answers to these questions – and any unsolicited written remarks – are also included with the witness statements, appended to the last of the witness's statements (or the only one, as the case may be).

At least one former law-enforcement officer attended each of these interviews to report the interviewee's statements. These law enforcement officers included a former Maricopa County Deputy Criminal Chief and two retired Federal Bureau of Investigation Special Investigators. The investigators' notes were later typewritten and sent to the Special Committee's counsel. The Special Committee's counsel then provided suggested edits, changes, and/or inclusions into the typewritten statement. The Special Committee's counsel explicitly instructed each investigator to accept only the edits, changes, and/or inclusions if the same comported with the investigator's notes and/or memory. Once the statement was finalized by the investigator, each interviewee's statement was then sent to the interviewee for comments or proposed edits.

The interview statements, as well as any comments received from the interviewees, are included with this report in a separate volume. Final interview statements will be cited in this report as, for

example, Junker [date] Int. at _____. Within those statements, sections which the interviewee wished deleted, but that the Special Committee's investigators did not believe should be deleted, are shown in underscore. Sections that the witness added but which the Special Committee's investigators did not believe should be added are shown in *italics*. The unadorned text of each interview statement thus may include comments from the interviewee which the Special Committee's investigators decided were accurate or appropriate. When citing to a statement for an interviewee's added comments, the cite herein will read, for example, Junker [date] Int. at _____ (redline). Comments that the interviewee wished deleted are generally not noted as such within this report. Citations in a witness's answers to questions posed by email or to the witness's unsolicited remarks are cited as, for example, Johnson 3-3-11 at Addendum.

In some cases, the witness or counsel specifically declined to return comments on the interview statements. In other cases, despite requests made that they do so, witnesses or their counsel simply failed to return comments on the interview statements. In the case of attorneys at Snell & Wilmer, the comments returned were specifically noted to be those of the attorney representing the interviewees, and not of the interviewees themselves. In a handful of instances, the witnesses were unavailable on the time schedule required. In that case, the interview statements are so marked.

The Special Committee's counsel advised each interviewee that the report's contents may become public or otherwise disseminated. Fiesta Bowl employees, Board members, and former employees were all provided the opportunity to retain counsel at the Bowl's expense, contingent only upon full, complete, and truthful cooperation with the Special Committee's investigation. As discussed in more detail below, one current Fiesta Bowl employee, John Junker, did not provide full and complete cooperation and the Fiesta Bowl declined to pay Junker's legal expenses. Another former employee, Shawn

Schoeffler, changed his position on cooperation and the Fiesta Bowl ceased paying his legal expenses. All current Fiesta Bowl employees who participated in interviews with the Special Committee's counsel were represented by counsel. On two occasions, counsel to the Special Committee emailed all Fiesta Bowl employees and invited them to contact pool counsel (Lee Stein of Perkins, Coie, Brown & Bain) and set up an interview if they had any information relevant to four broadly enumerated topics of the investigation.² No additional employees came forward, and a number wrote to explicitly say they had no information to communicate.³

Current and former Fiesta Bowl Board members also participated in interviews. Two of these members, Duane Woods and Alan Young, were represented by counsel paid for by the Fiesta Bowl. No other Board member requested the assistance of counsel.

Outside consultants were often represented by counsel. Among these consultants, Gary Husk and the employees of Snell & Wilmer were represented by counsel at their interviews, at their own expense. Grant Woods retained counsel after his penultimate interview was conducted, at his own expense.

Scot Asher and Shawn Schoeffler elected to participate in their November 2010 interviews without the assistance of counsel. At the suggestion of the Special Committee's counsel, they later retained counsel and did not appear for their second, scheduled interviews. Schoeffler, through counsel, asserted that he believed his first interview was covered by a privilege held by him and thus cannot be disclosed without his permission.⁴ Asher, through the same counsel,

² R00001-2; R00018-19.

³ R00001-20.

⁴ R02382-402.

made the same claim.⁵ These are the only two witnesses who have made such an allegation, and the allegation was contradicted by, among other things, a sworn affidavit from Investigator Patrick C. Cooper.⁶ Asher, after his counsel reviewed Cooper's affidavit, elected to appear for another interview, with counsel.

Schoeffler asked for and received a letter from the Bowl stating that he could talk with counsel to the Special Committee. The letter specifically identified the counsel to whom Schoeffler was to speak as "outside counsel," and "counsel to the Special Committee."⁷ Later, he claimed he thought the Special Committee's counsel were his own, although his severance agreement — the cause for his earlier concern — explicitly allowed him to talk with his own counsel. He declined any further contact.⁸ The Special Committee's counsel considers Schoeffler to be non-cooperative with the Committee's investigation and his wrongful claim of privilege to be an attempt to obstruct it. An earlier commitment to pay the attorneys' fees for Schoeffler that did not contain a cooperation provision was rescinded on the date Schoeffler ceased cooperating, although the Bowl agreed to pay his fees through that date.

John Junker agreed to be interviewed by the Special Committee's counsel but refused to answer any questions relating to campaign contributions, allegations of the reimbursement of campaign contributions, or the first investigation into allegations of reimbursement of campaign contributions by the Fiesta Bowl. For these reasons, the Special Committee's counsel considers Junker to be non-cooperative with the Committee's investigation. Junker was provided two written directives by the Fiesta Bowl to answer all

⁵ *Id.*

⁶ R01594-96.

⁷ R01556.

⁸ R00461-66; R02776.

questions of the Special Committee's counsel.⁹ He declined to do so and was placed on administrative leave after failing to comply.

Former employees Doug Blouin (through counsel), Marc Schulman (through counsel), and Stan Laybourne refused to be interviewed by counsel to the Special Committee. Laybourne mailed a letter stating he had no knowledge about campaign-contribution reimbursements, which is cited to in this report together with another witness's allegations that Laybourne did have such knowledge. When sent a follow-up letter noting that the investigation's scope was broader, Laybourne did not respond.¹⁰ Patricia McQuivey and Nat Stout did not return telephone calls or respond to letters requesting their participation. One consultant failed to respond to the Special Committee's counsel's calls for nearly a month, and can be deemed to have refused to participate or cooperate.

A list of the counsel representing each of the represented individuals, including counsel to the Special Committee and its investigators, is provided in a separate document.

II. Scope and genesis of the investigation

On December 18, 2009, *The Arizona Republic* published an article by Craig Harris entitled "Fiesta Bowl employees say bowl repaid political contributions / CEO John Junker denies repayments, which would violate election laws."¹¹ In this article, *The Arizona Republic* reported that past and present Fiesta Bowl employees stated that they were encouraged to write checks to specific political candidates and then were reimbursed by the Fiesta Bowl for their

⁹ R02747; R02743-53.

¹⁰ R01982.

¹¹ R01550.

contributions.¹² The article also highlighted certain information from the Fiesta Bowl tax returns, including expenditures for entertainment and lobbyists, and tickets and trips for legislators.¹³ Certain employees and Board members of the Fiesta Bowl had learned in advance of the likely content of the article – through questions posed by reporter Harris orally and by email.¹⁴ The framework for a response, including consideration of an internal investigation, had been set up before the article was published.¹⁵

In mid-December 2009, the Fiesta Bowl retained Grant Woods, a former Arizona Attorney General, to conduct an investigation as to certain of the allegations in *The Arizona Republic* article.¹⁶ This investigation was completed, and an oral report was made to the Fiesta Bowl's Board of Directors' Executive Committee on December 22, 2009.¹⁷ On that date, Grant Woods reported to the Executive Committee that there was "no credible evidence" to support the allegations that employees' campaign contributions had been reimbursed by the Fiesta Bowl.¹⁸ Nevertheless, continued investigations by governmental regulators – the Arizona Secretary of State's Office and eventually the Arizona Attorney General's Office – meant that the Bowl's staff, consultants, and attorneys worked throughout 2010 to respond to official requests and develop strategies related to any official inquiry.¹⁹

¹² *Id.*

¹³ R01555.

¹⁴ R01964-65.

¹⁵ Alba Int. at 3.

¹⁶ G. Woods 11-23-10 Int. at 2.

¹⁷ G. Woods 11-23-10 Int. at 4.

¹⁸ G. Woods 2-2-11 Int. at 2.

¹⁹ R00030-32; R01568-1569.

Chairman of the Board Duane Woods (no relation to Grant Woods) recalled a late September 2010 visit by Kelly Keogh, assistant to Fiesta Bowl President and CEO John Junker, to his office at Waste Management to make a delivery.²⁰ Because she seemed stressed, he engaged her in a conversation and Keogh explained that the earlier investigation had been conducted not just by former Arizona Attorney General Grant Woods, but also by Gary Husk, an attorney and public affairs professional on retainer with the Fiesta Bowl.²¹ Keogh communicated to Duane Woods her belief that the earlier investigation had been a cover-up, in that at least Husk knew that the Fiesta Bowl had reimbursed certain individuals (such as Keogh) for campaign contributions contrary to what was publicly reported.²²

In reaction to Keogh's statements, Duane Woods, after receiving advice from Board counsel Daniel Goldfine of Snell & Wilmer L.L.P., formed a Special Committee of the Board of Directors for the purposes of re-investigating the campaign-contribution-reimbursement allegations and examining the earlier investigation.²³ The Board passed a resolution empowering a Special Committee on October 8, 2010, after a meeting at Snell & Wilmer.²⁴

The Board resolution stated that "the Special Committee shall be comprised of Jim Bruner, Steve Whiteman, and a third non-Company related person."²⁵ The Honorable Ruth McGregor, a

²⁰ D. Woods 12-16-10 Int. at 3.

²¹ *Id.*

²² See Keogh 11-22-10 Int. at 3-4; Keogh 1-13-11 Int. at 2; D. Woods 12-16-10 Int. at 3.

²³ D. Woods 2-16-10 Int. at 3-5.

²⁴ R00021-23.

²⁵ *Id.* at R00021.

former Chief Justice of the Arizona Supreme Court, agreed to fill the third spot on the Special Committee.²⁶

Among the directives of the Board's resolution were the following:

WHEREAS, the Executive Committee unanimously recommended the formation and appointment of a special committee (the "Special Committee") in order to conduct and complete its own independent and separate investigation (the "Investigation") as to all such matters and any other matters identified by the Executive Committee from time to time. . . .

FURTHER RESOLVED, the Board recognizes and advises the Special Committee that there had been a previous internal investigation that had reached conclusions, and the Board directs the Special Committee neither to accept nor reject any conclusion or evidence from that previous internal investigation but to complete a new internal investigation independent from the previous internal investigation.²⁷

After a competitive selection process, Robins, Kaplan, Miller & Ciresi L.L.P. was selected as counsel to the Special Committee. The Special Committee empowered its counsel with the full authority allowed under the October 8, 2010 Board resolution and a subsequent resolution.²⁸ The Special Committee defined the

²⁶ Justice McGregor is being compensated hourly by the Bowl, while Whiteman and Bruner are volunteering their time, as they have for Bowl-related activities in the past.

²⁷ R00021-22.

²⁸ R02775.

"Investigation" to mean "an investigation of any and all potential violations of internal Fiesta Bowl policies, state laws, and/or federal laws relating to the Fiesta Bowl," and defined the scope as follows:

The scope of the Investigation is to include (1) political contributions, particularly in Arizona and to Arizona candidates, (2) allegations raised by Playoff PAC regarding conduct of Fiesta Bowl personnel, (3) circumstances and conduct of the initial internal investigation and responses thereto by Fiesta Bowl employees or consultants, and (4) recommendations for future operations relating to compliance policies, governance, and other issues.²⁹

The engagement letter with Robins, Kaplan, Miller & Ciresi L.L.P. was assented to by the four entities that comprise the Fiesta Bowl, and the Fiesta Bowl agreed to pay the fees and costs associated with the investigation, although it had no rights or input as a client to direct or affect the investigation.³⁰

As can be seen from the scope defined by the Special Committee, the present investigation's purview is broader than that of the earlier investigation. Its reach includes the "allegations raised by Playoff PAC regarding the conduct of Fiesta Bowl personnel."³¹ Playoff PAC describes itself as "a federal political committee dedicated to establishing a competitive post-season championship for college football."³² The expanded scope in the engagement letter empowered the Special Committee, through its counsel, to investigate the myriad allegations raised by Playoff PAC in a complaint filed with the Arizona Secretary of State in December 2009

²⁹ R00024.

³⁰ *Id.*

³¹ *Id.*

³² R00029.

and in a formal complaint filed with the Internal Revenue Service on September 23, 2010.³³

The Special Committee's primary responsibility is to report those facts discovered in its investigation. In addition, the Special Committee has, under separate cover, made recommendations for changes in the governance of the four nonprofit entities that make up the Fiesta Bowl, several of which recommendations have already been implemented during the course of the investigation under the independent aegis of the Board of Directors and its counsel.

The Fiesta Bowl's Board of Directors, the Executive Committee, the Fiesta Bowl, its counsel, and any and all others associated with the Fiesta Bowl have been kept apart from the investigation and have not commented on, drafted, edited, steered, or otherwise guided the investigation or this report. The Special Committee, through its counsel, completed its investigation without any purpose to prosecute, defend, or implicate any entity or person. It accordingly disclaims any attempt to view its report in any such light.

III. Reported facts

A. Background on the Fiesta Bowl

The recently completed Insight Bowl, Fiesta Bowl, and BCS National Championship Game marked the end of the 2010 season for the four, linked nonprofit entities that are collectively referred to as the Fiesta Bowl. The Fiesta Bowl is comprised of four separate nonprofit entities: The Arizona Sports Foundation ("ASF"), Fiesta Events, Inc. ("FEI"), The Valley of the Sun Bowl Foundation ("VSF"), and The Arizona College Football Championship Foundation

³³ R00024; R00030-32; R00813-42.

("ACFCF").³⁴ The organization also operates an apparel company for its "1882" brand, which licenses Fiesta-Bowl-branded merchandise for national distribution.³⁵

The Articles of Incorporation of The Arizona Sports Foundation state, in part, that

Article III

The objects, purposes and powers of this corporation and the general nature of the business it proposes to transact are:

1. To promote, encourage, sponsor, manage, establish and otherwise generate interest in a post-season collegiate football bowl game or games and in addition, to promote, encourage, sponsor, manage, and otherwise participate in collegiate sports events, contests and activities in the metropolitan Phoenix area and otherwise to promote, sponsor and encourage persons, groups, institutions, societies, associations, both within and without the State of Arizona to sponsor, conduct, promote and encourage collegiate sports events and activities in the metropolitan Phoenix area.

2. To operate without profit and so that no part of its net earning or assets shall ever be distributed as a dividend or inure to the benefit of any private shareholder or individual and thereby to promote, foster, encourage and increase collegiate sports events, contests and activities in the metropolitan Phoenix area. The proceeds, if any, from such events and activities shall be used for educational and charitable purposes.

³⁴ R02306.

³⁵ Wisneski 2-16-11 Int. at 2.

3. To accomplish the charitable and educational purposes set forth in paragraphs 1 and 2 above, the corporation shall stage a post-season collegiate football bowl game which shall be designated the "Fiesta Bowl". The Fiesta Bowl shall be sanctioned by the National Collegiate Athletics Association. Proceeds from the Fiesta Bowl shall be paid to the participating colleges to be used by such colleges to improve their educational facilities and their athletic capabilities. All funds not paid to the participating colleges shall be used by the corporation for educational and charitable purposes.

20. It is intended that this corporation shall not at any time engage in any business activity or transaction which would cause it to lose its status as a non-profit corporation or its tax exempt status under the United States Internal Revenue Code as now enacted or as may hereafter be amended and that this corporation shall, if possible, at all times be a tax exempt charitable corporation to which tax deductible contributions of property or all kinds may be made by persons, corporations and other legal entities. . . .³⁶

The Articles date from 1969 and are in the process of being amended.

The Fiesta Bowl's place in Arizona is much larger than the football games it hosts every year. As it states its mission,

The Fiesta Bowl annually strives:

1. To stage two of the top college football bowl games in the nation, and to assist the cause of higher education with the highest university payments possible.

³⁶ R01874-1903.

2. To have the people of Arizona host the most comprehensive pageant of community activities in the United States.
3. To be Arizona's leading outlet for year-round sports and pageantry-related volunteer participation.
4. To give companies and organizations unique opportunities for involvement in supporting our efforts.
5. To be financially sound, and to contribute strongly and regularly to the state's economic development and to higher education nationwide.
6. To be a source of national pride for all Arizonans.³⁷

1. Bowl games and other events

This year, 2011, was the 40th year for the Fiesta Bowl. Since its founding in 1971, it has progressed from a small operation designed to provide a forum for Arizona State University's Sun Devils to get a quality post-season berth to one of the top Bowls in the country.³⁸ This year's national championship game on ESPN drew the largest audience in cable television history.³⁹ Two of the three Fiesta Bowl-affiliated games set attendance records,⁴⁰ with the Championship Game setting the building attendance record in the home stadium of the NFL's Arizona Cardinals.⁴¹ A "game that began as an upstart in 1971, the Fiesta Bowl elbowed its way to equal standing with three elders—the Rose, Orange and Sugar Bowls—in the Bowl

³⁷ R00033. Earlier versions of the mission statement included a seventh point: "to have fun." *See, e.g.*, R00039.

³⁸ R01527.

³⁹ R01529; R01530.

⁴⁰ *Id.*

⁴¹ R01532.

Championship Series, alternately hosting college football's championship game."⁴²

The Valley of the Sun Bowl Foundation also runs the Insight Bowl game, which is currently sponsored by Insight Enterprises, a Tempe-based information technology company.⁴³ The Insight Bowl recently signed a broadcast deal with ESPN, increased its payouts quite significantly, and improved its team selection rights.⁴⁴

In addition to football games, this year's Fiesta Bowl included more than 40 other statewide events, such as the Fort McDowell Fiesta Bowl Parade presented by the Fort McDowell Yavapai Nation (the largest spectator event in Arizona), and the Fiesta Bowl Block Party.⁴⁵ These non-football events include a senior tennis tournament, a youth-football clinic, the Scottsdale ArtWalk, a high-school band championship, the Honeywell Fiesta Bowl Aerospace Challenge, a Junior College Shootout, the Northern Arizona University Volleyball tournament (September), the Annual Fiesta Bowl Million Dollar Hole-in-One presented by Fox Sports Arizona (November), a half marathon/5k (December), and a gymnastics meet (February).⁴⁶

The bowl games and other events are supported by a staff of 44 and thousands of volunteers.⁴⁷ When John Junker started at the Fiesta Bowl, he reported it had only \$16,000 in the bank.⁴⁸ Today, the

⁴² R01526.

⁴³ R01533.

⁴⁴ R01534.

⁴⁵ R00215; R00172.

⁴⁶ R00236-37.

⁴⁷ R00224.

⁴⁸ Junker 1-11-11 Int. at 5.

Fiesta Bowl has "\$15-20 million in the bank."⁴⁹ Many credit Junker's management with the Bowl's success.⁵⁰ As *The Arizona Republic* reported in December 2010: "Junker and his Fiesta Bowl team are credited with building Arizona's reputation as a premier host for college bowls, says professor Michael Mokwa, chairman of the marketing department at the W.P. Carey School of Business."⁵¹

2. Economic impact, community impact, and charitable giving

Mokwa studied the economic impact of the Fiesta Bowl's hosting of the 2006 Insight Bowl, the 2007 Fiesta Bowl, and the 2007 National Championship. According to Mokwa's analysis, the three bowls—over 11 days—were unprecedented, and the economic impact was significant.⁵² His report estimated that that brief period generated \$401.7 million for the state, 3,576 jobs, and \$10.1 million in state and local taxes.⁵³ This statewide spending came from football fans spending on lodging, dining, entertainment, and other services.⁵⁴

After the W.P. Carey School's study was concluded, an Arizona Sports and Tourism Authority press release included praise from some notable sources:

"This is spectacular news and verifies the importance of the Fiesta Bowl and the Insight Bowl to Arizona," said Arizona Governor Janet Napolitano. "The economic impact that these games and the Fiesta Bowl festival bring our state is

⁴⁹ Junker 1-11-11 Int. at 13.

⁵⁰ See, e.g., Allen 2-15-11 Int. at 3; Stemple Int. at 3; Flores Int. at 3.

⁵¹ R01535.

⁵² *Id.*

⁵³ *Id.*

⁵⁴ *Id.*

remarkable, but even more important is the hundreds of thousands of visitors and our own citizens who will always carry warm memories of these events in Arizona. Thousands of Arizonans who supported this as volunteers or through their work in the hospitality industry deserve our congratulations for making these events crown jewels of our state's economic development."

Other civic leaders also noted their appreciation, including: "It is an exciting time in Glendale and our partnership with The Fiesta Bowl organization is an important part of the great things happening," said Glendale Mayor Elaine Scruggs. "We are very pleased to learn that the incredible Fiesta Bowl and BCS Championship games played in Glendale produced such a tremendous economic impact for our community, the surrounding metropolitan area and the state of Arizona. We look forward to hosting many more in the future and having them all be just as successful."⁵⁵

The Fiesta Bowl reports that for the period 2000-07, the Bowl's economic impact on Arizona exceeded \$1 billion.⁵⁶ As Michael Martin, vice president of Tempe Convention and Visitors Bureau has reportedly stated, "It's pretty exciting for any community to have one bowl game, so for us to have two prestigious bowls in the Valley every year is amazing."⁵⁷

The Fiesta Bowl also provides monetary contributions to traditional non-profit entities. The largest recipients of the Fiesta Bowl's payments, in any given year and throughout its lifetime, have been the nonprofit colleges and universities that come to play in its

⁵⁵ R01538.

⁵⁶ R01541.

⁵⁷ R01537.

games.⁵⁸ For the Bowl's first 39 years, these payments totaled \$486,406,260, according to Fiesta Bowl materials.⁵⁹

The Fiesta Bowl does not characterize its payments to colleges and universities as charitable contributions.⁶⁰ The BCS cites these payments as benefiting educational institutions.⁶¹ A complaint filed by Playoff PAC with the IRS does not include the payments to the colleges and universities in its tally of giving by the Fiesta Bowl.⁶²

In addition to payments to educational institutions, the Fiesta Bowl also sponsors several charitable events. These include the Hole-in-One event, in which more than 1,000 golfers pay \$1 a shot to try to win prizes and, potentially, \$1 million. A portion of the proceeds of that event goes to The 100 Club, a support society for families of police officers and fire fighters dealing with tragedies.⁶³ A portion of the fees from the Fiesta Bowl Fall Golf Invitational benefits the Boys & Girls Clubs of Tucson.⁶⁴

Unlike a typical nonprofit, the Bowl takes in most of its money by delivering a product people want to purchase.⁶⁵ It has distributed a portion of that money to other charitable organizations.⁶⁶ The giving includes cash contributions, as well as packages of game

⁵⁸ Junker 1-31-11 Int. at 4.

⁵⁹ R00313; *see also* Junker 1-31-11 Int. at 4.

⁶⁰ *See, e.g.*, R02268.

⁶¹ R02575-85; R0813-43.

⁶² R00813-43.

⁶³ R00223; R00246.

⁶⁴ *Id.*; R00341-44.

⁶⁵ Junker 1-11-11 Int. at 12.

⁶⁶ Junker 1-11-11 Int. at 12; R00844-904.

tickets and parking passes, which are intended for use by the receiving organizations in silent auctions and the like.⁶⁷

In recent years, the Bowl has supported a wide variety of Arizona-based or Arizona-focused charitable organizations, including Arizona State University, the University of Arizona, Northern Arizona University, Hospice of Arizona, Aquila Youth Leadership Institute, the Pat Tillman Foundation, Parenting Arizona, Maricopa Community College Foundation, and the Phoenix Children's Hospital.⁶⁸ The Fiesta Bowl also supports national organizations active in Arizona, including the American Red Cross, the Salvation Army, the ALS Association, the Leukemia & Lymphoma Society, St. Vincent de Paul, and the March of Dimes.⁶⁹ Some of the charitable giving is to out-of-state organizations.⁷⁰

Some of the charitable donations reported by Fiesta Events, Inc. are related to college football athletics. Among these donations are a 2010 \$1,000 donation to Rhode Island Community Food Bank in memory of Susan Hunterman, the wife of former Big East Commissioner Mike Tranchese,⁷¹ a 2009 \$1,000 donation to the capital campaign of the Caring Days Adult Day Care in memory of Charlotte Davis Moore, the wife of Alabama's athletic director,⁷² a 2008 \$1,000 donation to the American Cancer Society in memory of Stephen Schnellenberger, the son of prominent football coach

⁶⁷ R00844-904; Wisneski 2-10-11 Int. at 18.

⁶⁸ R00223; R00345; R00844-904.

⁶⁹ R00223; R00844-904.

⁷⁰ R00844-904.

⁷¹ R00845.

⁷² R00851; R00905.

Howard Schnellenberger,⁷³ and a 2007 \$5,000 donation to Indiana University in memory of Coach Terry Hoepfner.⁷⁴

Some of the charitable donations support causes associated with Fiesta Bowl employees or committee members. For example, in 2009, the Bowl made a \$250 contribution to the Touching Tiny Lives Foundation and noted it as "Donation – Chicago Marathon Participant: Emily Herzig."⁷⁵ Herzig is the Fiesta Bowl's Team Services Coordinator. In 2007, the Bowl made a \$10,000 donation to the Dave Eskridge Support Trust, a fund set up to support a Life Member of the Fiesta Bowl Committee who was stricken with cancer.⁷⁶ The Fiesta Bowl also permits at least some employees to cause the Bowl to make donations or in-kind contributions to causes affiliated with the employees.⁷⁷ Thus, the Bowl has made contributions to the schools attended by, among others, Junker's and Fiesta Bowl Chief Operating Officer Natalie Wisneski's children.⁷⁸ Similarly, the Bowl has made donations to charitable causes supported by its Board members.⁷⁹

Board members provided mixed reports on whether a formal process existed for giving charitable donations.⁸⁰ Former Board Chair Ziegler reported that at least for some period of her time before her tenure as Chair (2005), a Board committee did operate,

⁷³ R01542.

⁷⁴ R00864; R01547.

⁷⁵ R00853.

⁷⁶ R00212; R00863.

⁷⁷ Wisneski 12-10-10 Int. at 18.

⁷⁸ Wisneski 12-17-10 Int. at 2; Wisneski 3-3-11 Int. at 6; R00853; R00860; R00866; R00870; R02666-68.

⁷⁹ See, e.g., R00874; Ziegler 1-5-11 Int. at 4; Hickey 1-28-11 Int. at 11.

⁸⁰ Hickey 1-28-11 Int. at 11; Ziegler 1-5-11 Int. at 4; Vinciguerra Int. at 9; D. Woods 12-16-10 Int. at 1; Stemple Int. at 4; Young 2-18-11 Int. at 3.

and described the process this way: "Different members of the Executive Committee would make recommendations on behalf of the Board for charitable contributions and then we would recommend those to John Junker and Junker made the decision on whether or not those requests would be funded."⁸¹ She stated that ultimately, the decision was Junker's: "We knew some of the organizations that he funded, which I can name, but certainly not all of them."⁸² Ziegler also said that some of the organizations the Fiesta Bowl supported never came through the committee.⁸³ Others did not recall the existence or operation of such a committee.⁸⁴

The Fiesta Bowl has provided contributions to entities that appear to be aligned with Junker's political views. In 2010, for example, the Fiesta Bowl made a donation to support the Grand Rapids, Michigan-based Acton Institute, an organization whose core principle is "integrating Judeo-Christian truths with free market principles."⁸⁵ In 2007, the Bowl made a \$4,000 contribution to the Bio-Ethics Defense Fund, "a public-interest law firm whose mission is to advocate for the human right to life through litigation, legislation and public education," which Wisneski said is run by a friend of Junker's.⁸⁶ The Bowl made two more contributions to the Bio-Ethics Defense Fund totaling \$3,824.92 in 2008.⁸⁷

⁸¹ Ziegler 1-5-11 Int. at 2-3.

⁸² *Id.* at 3.

⁸³ *Id.* at 3.

⁸⁴ Hickey 1-28-11 Int. at 11.

⁸⁵ R00347; R00850.

⁸⁶ R00350; Wisneski 2-10-11 Int. at 18; R00863.

⁸⁷ R00857.

B. The Fiesta Bowl's alleged reimbursement of campaign contributions

1. The analysis and development of the campaign-contribution spreadsheet

To investigate the allegations that the Fiesta Bowl had reimbursed individuals for political-campaign contributions, we created a spreadsheet showing campaign contributions made by each current and former employee of the Fiesta Bowl since 2000, as well as contributions made by each current and former member of the Board of Directors for this same time period.⁸⁸ We obtained lists of current and former employees and current and former members of the Board of Directors from Peggy Eyanson, Director of Business Operations for the Fiesta Bowl.⁸⁹ This spreadsheet also includes contributions from certain consultants of the Bowl as well as contributions of one volunteer—Scot Asher—who stated that he was reimbursed for at least one campaign contribution by a Fiesta Bowl employee.⁹⁰

To find the campaign contributions made by each of these individuals, we searched a number of publicly available databases.

First, with respect to contributions to candidates running for federal office, we searched the Federal Election Commission's online campaign finance database, which appeared accurate and complete.⁹¹

Second, we obtained state political contribution information from the Arizona Office of the Secretary of State's online campaign-

⁸⁸ Schedule A.

⁸⁹ R02777-80; R02781-83.

⁹⁰ Schedule A; Asher 11-3-10 Int. at 3.

⁹¹ <http://www.fec.gov/finance/disclosure/advindsea.shtm>.

finance database.⁹² While this database captures the majority of state campaign contributions, we noted — and others confirmed — that this database does not consistently include every political contribution for individual donors. For example, we determined that contributions were sometimes missing because the name of the donor was misspelled. We were able to find some of these additional missing contributions by going directly to the campaign-finance database's source documents, which are the candidates' actual campaign-finance reports, and searching for each donor's name. For example, Anthony Aguilar gave a \$410 donation to the Pearce Exploratory Committee on November 26, 2009.⁹³ This donation, however, is not found in the online campaign-finance database but is found in Pearce's campaign-finance report presumably because Anthony Aguilar's name was misspelled in Pearce's report as "Anthony Agilar."⁹⁴

Thus, to be as thorough as possible for key employees, we searched campaign-finance reports available online since 2000 for state candidates whom we identified through the investigation as ones likely to receive contributions from individuals connected to the Fiesta Bowl. This search revealed a handful of additional contributions that did not appear in the Secretary of State's online database. Although we believe that we have found most of the state contributions made by Fiesta Bowl employees and directors, given the limitations of Arizona's campaign-finance database, it remains possible that additional state contributions exist.

In addition to federal and state reports, we searched all available campaign-finance reports since 2000 for each of the current

⁹² <http://www.azsos.gov/cfs/ContributorSummarySearch.aspx>.

⁹³ Schedule A.

⁹⁴ P00008.

members of the Maricopa Board of Supervisors.⁹⁵ We also searched all campaign-finance reports for local politicians on the websites of Glendale,⁹⁶ Scottsdale,⁹⁷ Tempe,⁹⁸ and Phoenix⁹⁹ from 2000 to the present. Local politicians were searched as their names were identified in the course of the investigation. We did not search for each local politician, so again, it remains possible that additional Fiesta Bowl employees' contributions to local politicians exist.

Having identified campaign contributions, we next entered information from the Arizona Sports Foundation manual payroll checkbook into the spreadsheet. Wisneski and Eyanson identified this payroll account as the primary method used to reimburse certain current and former Fiesta Bowl employees for political contributions.¹⁰⁰ This manual payroll checkbook contains records dating back to 1999, although records for the earlier years are not as complete as those for later years.¹⁰¹

⁹⁵ Fulton Brock, Don Stapley, Andrew Kunasek, Max Wilson, and Mary Rose Wilcox. These reports are available at <http://recorder.maricopa.gov/web/candcamp.aspx>.

⁹⁶
www.glendaleaz.com/Clerk/politicalcommitteecampaignfinancereports.cfm.

⁹⁷
<https://eservices.scottsdaleaz.gov/eservices/CampaignfinanceReports/Default.aspx>.

⁹⁸
www.tempe.gov/clerk/Election/Political%20Committee%20Campaign%20Finance%20Reports/political%20committee%20campaign%20reports.htm

⁹⁹ <http://phoenix.gov/phxd/ccimages/advSearchPageOut.jsp>.

¹⁰⁰ Eyanson 11-29-10 Int. at 10; Wisneski 3-3-11 Int. at 6.

¹⁰¹ C00001-314.

Our spreadsheet enabled us to compare the transaction dates and amounts of political contributions to the transaction dates and amounts of bonuses or reimbursement checks.¹⁰² We also prepared shorthand versions of this spreadsheet as charts for Eyanson and Wisneski, and asked each to indicate which bonus checks they recalled likely reflected or included the Fiesta Bowl's reimbursements for political contributions.¹⁰³ Finally, we used this spreadsheet to discern patterns, such as a number of individuals connected with the Fiesta Bowl giving the same amount to the same candidate on the same day. A copy of this spreadsheet is attached to this Report as Schedule A.

As is discussed more fully below, 11 individuals reported that the Fiesta Bowl reimbursed them for political contributions: Anthony Aguilar, Scot Asher, Gina Chappin, Peggy Eyanson, Tracy (Kusmider) Guerra, Kelly (Peterson) Keogh, Christine Martin, Mary McGlynn, Shawn Schoeffler, Monica Simental, and Natalie (Aguilar) Wisneski. Moreover, as is noted below, several of these individuals stated that additional current and former Fiesta Bowl employees' campaign contributions were also reimbursed; certain of these former employees refused to be interviewed by the Special Committee's counsel.¹⁰⁴ If one adds the 11 individuals above, seven of their spouses, and the three additional individuals whom certain employees implicated, the Fiesta Bowl allegedly reimbursed at least 21 individuals for political contributions.

¹⁰² Schedule A.

¹⁰³ R00906-24; R01614-15.

¹⁰⁴ The former employees who refused to be interviewed are Doug Blouin, Nat Stout, Marc Schulman, Patricia McQuivey, and Stan Laybourne. Stout, Schulman, and McQuivey each worked for Blouin. Wisneski 2-2-11 Int. at 8, 9; R02753. Former employees Shawn Schoeffler (on one occasion) and Gina Chappin agreed to be interviewed by counsel to the Special Committee.

2. If the 11 individuals' statements are accurate, the Fiesta Bowl reimbursed individuals at least \$46,539 for campaign contributions since 2000

In sum, we examined campaign contributions of 83 Fiesta Bowl employees and spouses, 247 former employees, 22 members of the Board of Directors, 40 former members of the Board of Directors, and 7 other individuals totaling \$1,210,164.¹⁰⁵ Of these 399 individuals, we found campaign contributions for 120. Out of those 120 contributors, if certain statements from current and former Fiesta Bowl employees and others are accurate, the Fiesta Bowl reimbursed the campaign contributions for at least 21 individuals, including ten current employees, three former employees, seven spouses of current and former employees, and one volunteer since 2000.

Assuming the information reported in the spreadsheets and statements of current and former employees is accurate, we estimate that the total amount of campaign contributions reimbursed by the Fiesta Bowl since 2000 is at least \$46,539. Although there are reasons to believe that at least one other former employee, Doug Blouin, may have been reimbursed for campaign contributions (for the reasons set forth below) we have not included any potential reimbursements to this individual in the total.

In our interviews, eight employees, two former employees, and one Fiesta Bowl Committee volunteer member stated that they received reimbursements for campaign contributions they made while employed by or associated with the Fiesta Bowl.¹⁰⁶ For some

¹⁰⁵ Schedule A.

¹⁰⁶ See Aguilar 11-24-10 Int. at 4; Asher 11-3-10 Int. at 2; Chappin Int. at 2 (recalled a promise of reimbursement, but not the check, and stated that she did not dispute the records); Eyanson 11-10-10 Int. at 3; Guerra Int. at 6; Keogh 11-22-10 Int. at 8-9; Keogh 1-13-11 Int. at 3; C. Martin Int. at 2;

individuals, contributions were made in the names of their spouses as well.¹⁰⁷ The best estimate shows that the reimbursements for contributions made by these 11 individuals and their spouses total \$29,386, as is set forth in Schedule B.¹⁰⁸

The contributions on Schedule B were determined by reviewing federal, state, and local political records, as described above, to determine each contribution made by these 11 individuals and their spouses. Because ten of these individuals stated that it was likely that all of their campaign contributions were reimbursed, we have included every contribution for these ten individuals in this spreadsheet. The 11th individual – Wisneski – could not affirmatively state that she received a reimbursement for every contribution she made;¹⁰⁹ we have thus included in this spreadsheet only those contributions that she believed were definitely or probably reimbursed. Eyanson, however, identified three additional Wisneski contributions totaling \$1,780 that she believed were reimbursed, but Wisneski could not recall if she was reimbursed for these contributions.¹¹⁰ We have not included these three potential reimbursements in the total.

In addition to the contributions made by these 11 individuals and certain of their spouses, based upon our interviews and the documents we have reviewed, there was evidence (albeit not uncontroverted) that the Fiesta Bowl reimbursed campaign contributions for at least two other employees, Junker and Fields, as well as for at least two additional former employees, Blouin and

McGlynn Int. at 6; Schoeffler 11-18-10 Int. at 4; Simental 11-10-10 Int. at 4, 5; Wisneski 2-2-11 Int. at 2.

¹⁰⁷ Schedule A.

¹⁰⁸ Schedule B.

¹⁰⁹ R00921-22.

¹¹⁰ R01614-15; R00921-22.

Schulman. Junker refused to discuss political contributions or reimbursements with counsel to the Special Committee.¹¹¹ Fields denied that he received political-contribution reimbursements from the Fiesta Bowl.¹¹² And, despite several requests, Blouin and Schulman have refused to speak with counsel to the Special Committee.¹¹³ There is also some evidence that Stan Laybourne, the Fiesta Bowl's former chief financial officer, may have been involved in or aware of the alleged reimbursement arrangements, although he denied this in correspondence.¹¹⁴ Laybourne has also refused to speak with counsel to the Special Committee.¹¹⁵

If statements made by certain current and former employees are accurate, it appears that Junker, Schulman, and Fields may have received reimbursements from the Fiesta Bowl for campaign contributions in an amount totaling at least \$17,153.¹¹⁶ We have set forth these contributions on Schedule C, which will be discussed in further detail below.

Although Grant Woods stated that Blouin told Woods he had been reimbursed for campaign contributions, no Fiesta Bowl employee could point to any such reimbursement that they believed was paid to Blouin. Similarly, although there are allegations that Blouin may have received reimbursements for expenses that were

¹¹¹ Junker 1-31-11 Int. at 6.

¹¹² Fields 11-24-10 Int. at 7, 8.

¹¹³ R01973-78.

¹¹⁴ See Section III.B.3.c.ii.a.

¹¹⁵ R00925-30.

¹¹⁶ Schedule C. Eyanson and/or Wisneski stated that these contributions were likely reimbursed by the Fiesta Bowl; R00911-14; R00922-24; Eyanson 11-29-10 Int. at 12, 16; see also Schoeffler 11-18-10 Int. at 9.

not actually incurred, whether these were reimbursements for campaign contributions remains unclear.¹¹⁷

Thus the total of \$46,539 as identified above represents the contributions of the 11 individuals who have confirmed that they were reimbursed (\$29,386), plus certain contributions of Junker, Fields, and Schulman (\$17,153) (the last of which were identified based on allegations made by Wisneski and/or Eyanson).

Significantly, the practice of reimbursing for campaign contributions appears to have been limited to a comparatively small group of Fiesta Bowl employees (with the exception of Asher, who was a volunteer). No one we spoke to alleged that current or former Board members or consultants had ever been reimbursed for campaign contributions, and our spreadsheet analysis showed no such reimbursements.

Our research shows that over the past decade, the Fiesta Bowl reimbursed for contributions made for the following candidates or political entities:

Allen, Carolyn	Kyl, Jon
Arizona Republican Party	Lane, Jim
AZ Wins	Manross, Mary
Bennett, Ken	Martin, Phil
Brewer, Jan	McCain, John
Bundgaard, Scott	Mitchell, Harry
Carpenter, Ted	Navarro for City Council
Cummiskey, Christopher	Pearce, Russell

¹¹⁷ Wisneski 2-10-11 Int. at 4; *see* Section III.E.6 for additional information.

Flake, Jake	Rios, Pete
Gardner, Mike	Shadegg, John
Hayworth, JD	Weiers, James
Knaperek, Laura	Wilcox, Mary ¹¹⁸
Kunasek, Andrew	

Although we have not interviewed any of these individuals or entities, no one we spoke to alleged that any of these candidates had any knowledge that the Fiesta Bowl reimbursed contributions to their campaigns or related entities.

3. How contributions were allegedly sought and reimbursed

a. The alleged practice of reimbursing for campaign contributions dates back to at least 2002

Fiesta Bowl employees report that the alleged practice of reimbursing certain individuals for campaign contributions goes back to at least 2002, and likely began before then.¹¹⁹ As noted above, our analysis attempted to match publicly-available information regarding campaign contributions to reimbursement or bonus checks since 2000 (the first date for which we have meaningful information from the Fiesta Bowl on bonus/reimbursement checks).¹²⁰

Shawn Schoeffler, the former Vice President of Media Relations, stated that he believed (although he could not guarantee) that every contribution he made while employed by the Fiesta Bowl

¹¹⁸ Schedule A.

¹¹⁹ Wisneski 2-2-11 Int. at 2.

¹²⁰ C00001-1042.

was reimbursed.¹²¹ Our analysis showed that Schoeffler made two campaign contributions in 2000 – one on September 6, 2000, for candidate Scott Bundgaard, and another on September 25, 2000, for candidate Christopher Cumiskey.¹²²

Tracy Guerra, the director of Game Day Management, recalled that she made two political contributions, both of which were reimbursed by the Fiesta Bowl.¹²³ Guerra could not recall to whom the first check was written, but did remember that the first contribution was made before she was married in 2002, when her name was Tracy Kusmider.¹²⁴

Several of the individuals who stated that they were reimbursed for campaign contributions explained how they were first asked to contribute.¹²⁵ Keogh, for example, said that in or around 2006 there was a stadium bill issue and, though she knew the Bowl had collected checks in the past for political candidates, she had never written one.¹²⁶ Keogh said she told Wisneski that she wished she could help but that she could not afford to give any money, to which "Natalie said 'don't worry, we will get you reimbursed,' and I remember I told her 'that's great, I'll write a lot of checks.'"¹²⁷

¹²¹ Schoeffler 11-18-10 Int. at 4.

¹²² Schedule A.

¹²³ Guerra Int. at 6.

¹²⁴ *Id.* We were unable to locate any donations in the 2000-2010 timeframe for Tracy Kusmider.

¹²⁵ McGlynn Int. at 6; Keogh 11-22-10 Int. at 8; Simental 11-10-10 Int. at 5.

¹²⁶ Keogh 11-22-10 Int. at 8.

¹²⁷ *Id.*

Anthony Aguilar, who is Natalie Wisneski's brother,¹²⁸ stated that the first time he was reimbursed for a political contribution was in either 2005 or 2006 when he wrote a check to Carolyn Allen, a state Senator.¹²⁹ He recalls receiving a reimbursement check back that week from either Wisneski or Eyanson.¹³⁰ At that time, Aguilar stated, he drew the link in his own mind that the check was to reimburse him for the contribution he had given earlier.¹³¹

b. How contributions were allegedly sought

Each individual who confirmed being reimbursed explained how the alleged contribution and reimbursement process worked for them. Aguilar stated that usually Wisneski, Junker, or Husk requested contributions. "They would just say, 'Hey we're getting some checks together for a campaign or fundraiser,'" he recalled.¹³²

Keogh said that a request saying "we need to get so many checks" sometimes would come via email from Husk's office to Wisneski, Junker, and/or Aguilar, and then a copy of this email would be sent "to the rest of us."¹³³

Schoeffler noted that he was not "forced" to contribute, "but if you want to stay on the good side you need[ed] to do it. It was kind of like, if you put \$1,000 under a rock and a month later it would still be there, it's like, why wouldn't you do it?"¹³⁴ Schoeffler did, however, recall some resistance from his wife:

¹²⁸ *Id.* at 8.

¹²⁹ Aguilar 11-24-10 Int. at 5.

¹³⁰ *Id.*

¹³¹ *Id.*

¹³² *Id.* at 6.

¹³³ Keogh 11-22-10 Int. at 6; *see, e.g.*, R00354; R01870.

¹³⁴ Schoeffler 11-18-10 Int. at 6.

It was kind of like, "Hey you need to write a check." Several times I had to tell my wife, "Hey, honey, I gotta write a check." And she'd say "Why do you have to do that?" So I said, "Well, you have to."¹³⁵

Eyanson stated that she was upset at being asked to contribute:

One time Monica [Simental] asked me to give \$1,000. That's a lot, and it was before the newspaper articles and I had said "no." She came back and said we really need you to donate this and I will get you the reimbursement as soon as possible. We did, and I was pretty upset. I was mad because the reimbursement took longer than expected. It was a lot of money.¹³⁶

Former Fiesta Bowl employee Gina Chappin said that she was asked by her boss, Schoeffler, to contribute to a political campaign.¹³⁷ She recalled that Schoeffler had asked to meet with her privately and then asked her to make a campaign contribution.¹³⁸ Chappin reported that she believed Schoeffler did so at the request of Junker.¹³⁹ Chappin said that Schoeffler told her that she would be reimbursed and told her not to discuss campaign donations with others in the office.¹⁴⁰

Fiesta Bowl employees reported that Bowl employees collected checks payable to candidates in several different ways. Keogh stated "[s]ometimes I collected them, sometimes it was Natalie [Wisneski]

¹³⁵ *Id.*

¹³⁶ Eyanson 11-10-10 Int. at 12.

¹³⁷ Chappin Int. at 2.

¹³⁸ *Id.*

¹³⁹ *Id.* (redline).

¹⁴⁰ *Id.*

and sometimes it was John [Junker]."¹⁴¹ Eyanson stated that while Simental, Aguilar, and Keogh would sometimes collect checks, most of hers went directly to Wisneski.¹⁴² Aguilar stated that he routinely gave his contributions to Husk and Wisneski and, on occasion, to Junker or one of Husk's partners or employees.¹⁴³ Aguilar also said that, when asked by Husk or Wisneski, Aguilar would sometimes pick up a check or two from others.¹⁴⁴ Schoeffler recalled giving checks to Wisneski, Keogh, Simental, and Husk.¹⁴⁵ Individuals also reported that contributors would occasionally attend a fundraiser where checks were collected.¹⁴⁶

c. How reimbursements were allegedly made

i. Alleged "bonus" checks to employees

According to the individuals we interviewed, the predominant means of reimbursing employees for campaign contributions was through the receipt of a subsequent "bonus" check. Several individuals described the following process. At some point after a donor had made his or her campaign contribution, the contributor would receive a reimbursement check – usually hand-delivered by Wisneski.¹⁴⁷ Keogh estimated that the reimbursements "usually only took a few days to a three-week timeframe."¹⁴⁸ Some

¹⁴¹ Keogh 11-22-10 Int. at 7.

¹⁴² Eyanson 11-10-10 Int. at 9.

¹⁴³ Aguilar 11-24-10 Int. at 7.

¹⁴⁴ *Id.*

¹⁴⁵ Schoeffler 11-18-10 Int. at 10.

¹⁴⁶ Schoeffler 11-18-10 Int. at 9-10.

¹⁴⁷ Schoeffler 11-18-10 Int. at 11; Simental 11-10-10 Int. at 5; *see also* C. Martin Int. at 3.

¹⁴⁸ Keogh 11-22-10 Int. at 6.

reimbursements took longer: Eyanson recalled that she once had to wait three months to receive reimbursement.¹⁴⁹

Eyanson explained that the reimbursement checks were written from a manual checkbook for the Arizona Sports Foundation.¹⁵⁰ The checks in this account typically were used to pay non-payroll items such as bills from independent contractors or other miscellaneous bills.¹⁵¹ Manual checks were also written from this account to employees for actual bonuses.¹⁵² Eyanson also identified a small number of ADP-generated checks as potential reimbursement checks.¹⁵³ (ADP is a full-service third-party payroll administrator that provides payroll-check issuing services to the Fiesta Bowl.)¹⁵⁴

At the Fiesta Bowl, bonuses were given for multiple occasions. For example, at Christmas, each full-time staff member (other than the executive staff) received a \$500 bonus.¹⁵⁵ Bonuses were also given to employees for special occasions such as having babies or getting married, or for those who encountered special hardships.¹⁵⁶

According to Wisneski, Junker preferred to "bonus" Fiesta Bowl employees from campaign contributions.¹⁵⁷ Wisneski said that Junker would direct her to give bonuses to other individuals who had not made campaign contributions at the same time she was

¹⁴⁹ Eyanson 11-10-10 Int. at 12; Eyanson 1-13-11 Int. at 16 ; R00906-14.

¹⁵⁰ Eyanson 11-29-10 Int. at 2; see C00001-1042.

¹⁵¹ Eyanson 11-29-10 Int. at 2-3.

¹⁵² *Id.* at 3.

¹⁵³ R01827; R01614-15.

¹⁵⁴ www.adp.com/about-us.aspx; Eyanson 3-3-11 Int. at 1.

¹⁵⁵ Eyanson 11-29-10 Int. at 3.

¹⁵⁶ *Id.*; Keogh 1-31-11 Int. at 10-11; McGlynn Int. at 8.

¹⁵⁷ Wisneski 2-2-11 Int. at 3.

giving reimbursements to those who had contributed so as to disguise the purpose of the reimbursements.¹⁵⁸

He [Junker] would just say "I need contributions. We need contributions to friends of Jon Kyl," or, "the check needs to be made out to friends of," whoever, like Russell Pearce. Later, he started using the term bonus and would say "Did you bonus staff out?" . . . "John would say, 'Did you bonus staff out and did you put some other staff members in there -- put Erika in there,' -- people that didn't contribute -- to cover it. Sometimes he would be pretty rude and adamant and tell me, "Bonus the staff," because I wasn't doing it and people must have been telling him that they weren't getting their reimbursements. It would be like a constant pounding on me to bonus the staff and I knew he was only talking about the ones that were getting the campaign reimbursements.¹⁵⁹

According to Wisneski, Junker asked Wisneski to come up with pretextual reasons for the "bonuses."¹⁶⁰ But Wisneski said she had a difficult time doing this:

He wanted me to tell Monica [Simental] or Kelly [Keogh] when I was handing them the bonus, he wanted me to give an example for why we were giving them a bonus. But I couldn't face it, I had a hard time doing it. [Wisneski is emotional at this point.] I couldn't do it. I couldn't look at Monica and tell her it was something we both knew it wasn't.¹⁶¹

¹⁵⁸ Wisneski 2-2-11 Int. at 3-4.

¹⁵⁹ Wisneski 2-2-11 Int. at 3.

¹⁶⁰ *Id.* at 3-4.

¹⁶¹ Wisneski 2-2-11 Int. at 3.

Based on our interviews and review of documents, the checks that were written from the manual-checkbook account that were identified as reimbursing employees for campaign contributions were usually signed by Wisneski.¹⁶² Besides the signature, the other information on these checks (e.g., the date and amount, and almost always the payee) was normally written by Eyanson.¹⁶³ Eyanson and others stated that bonus-reimbursement amounts were typically "grossed up" to account for state and federal taxes.¹⁶⁴ Eyanson stated that she normally performed this calculation using a calculator in her payroll system¹⁶⁵ and reported that she sometimes added five to ten dollars extra, "just to make it close."¹⁶⁶ At Eyanson's discretion, this manual checkbook rolls up into the payroll account ledger, from which the employees' W-2s were eventually created.¹⁶⁷

Our interviews and review of documents revealed the following illustrative example of the alleged collection/reimbursement process relating to the November 2006 collection of contribution checks for Carolyn Allen, a Republican State Senator from Arizona District 8, which covers Fountain Hills, Rio Verde, and Scottsdale. On August 28, 2006, Husk sent this email to Junker:

John: I spoke with Senator Carloyn [sic] Allen and said we would round-up some checks for her campaign: [¶] Checks should be made out to CAROLYN ALLEN 2006 [¶] The maximum individual contribution is \$296.00 [¶] I told her we would have them by Friday. Thanks. GH¹⁶⁸

¹⁶² Schedule D.

¹⁶³ Wisneski 2-2-11 Int. at 4.

¹⁶⁴ *Id.*; Eyanson 11-29-10 Int. at 6.

¹⁶⁵ Eyanson 1-13-11 Int. at 2.

¹⁶⁶ Eyanson 11-10-10 Int. at 9.

¹⁶⁷ Eyanson 3-3-11 Int. at 11.

¹⁶⁸ R00355.

Although we found no Fiesta Bowl contributions in late August or early September as suggested by Husk's email, our investigation revealed six contributions from individuals connected with the Fiesta Bowl to Allen's campaign on November 25, 2006.¹⁶⁹ A little over a month later, the Arizona Sports Foundation's manual check ledger showed four "bonus" checks; Eyanson and Wisneski stated that each of these bonus checks constitutes a reimbursement for these campaign contributions:¹⁷⁰

Donor	Candi- date	Date	Contrib. Amount	Bonus/ Reimbursement		Check- book register note
				Gross Amount	Net Amount	
Keogh, Kelly (Peterson)	Allen	11-25-06	\$ 296.00			
				-	-	-
Simental, Monica	Allen	11-25-06	\$ 200.00			
		12-27-06		\$ 216.56	\$ 200.00	
Wisneski, Natalie	Allen	11-25-06	\$ 200.00			
		12-27-06		\$ 202.94	\$ 200.00	Child care
Eyanson, Peggy	Allen	11-25-06	\$ 296.00			
		12-30-06		\$ 324.84	\$ 300.00	Bonus
Fields, Jay	Allen	11-25-06	\$ 296.00			
		12-27-06		\$ 304.71	\$ 300.00	
Junker, John (Susan Junker)	Allen	11-25-06	\$ 296.00	*	*	*
				* Junker's alleged reimbursements are addressed in Section III.B.7		

¹⁶⁹ Schedule A.

¹⁷⁰ R00906-24.

If the statements of Eyanson and Wisneski are accurate, the above chart illustrates that contributions and reimbursements were not all treated the same. For example, although Keogh said that she never made a contribution that was not reimbursed,¹⁷¹ we could find no record that Keogh was reimbursed for her November 25, 2006 contribution to Allen's campaign, despite the fact that four of her colleagues (all of whom donated the same day as Keogh) were allegedly reimbursed.¹⁷² The checkbook memo/notation indicates that Wisneski's check was for "child care," and that Eyanson's was a "bonus."¹⁷³ There is no checkbook notation for either Fields' alleged reimbursement check or for Simental's reimbursement check.¹⁷⁴ And while Simental and Wisneski both contributed \$200, Fields and Eyanson contributed \$296.¹⁷⁵ Simental and Wisneski's "net" amount was for the exact amount of the contribution, while Fields (who denies this was a reimbursement)¹⁷⁶ and Eyanson each received an additional \$4.¹⁷⁷

Schoeffler, Keogh, and Eyanson all said that some of the contributions for which they were reimbursed were made in the names of their spouses.¹⁷⁸ For example, a \$500 donation was made in the name of Eyanson's husband, Lee Eyanson, on May 6, 2006, to Congressman John Shadegg, a Republican representing Arizona's

¹⁷¹ Keogh 1-13-11 Int. at 3.

¹⁷² See R00906-24.

¹⁷³ C00258; C00257; see also Section III.D.4.

¹⁷⁴ C00258.

¹⁷⁵ Schedule A.

¹⁷⁶ See Fields 11-24-10 Int. at 7, 8; Fields 12-9-10 Int. at 5.

¹⁷⁷ Schedule A.

¹⁷⁸ Schoeffler 11-18-10 Int. at 6; Eyanson 11-10-10 Int. at 9; see Keogh 11-22-10 Int. at 5; Keogh 1-13-11 Int. at 4.

Third Congressional District.¹⁷⁹ Three days later, on May 9, 2006, Peggy Eyanson received a reimbursement check for \$517.56.¹⁸⁰

ii. Checks to one employee for the alleged reimbursement of others

Another reported means of reimbursing for campaign contributions was to have one employee receive a large bonus check and for that employee to then reimburse others. Our investigation shows that this process was allegedly attempted at least three times, although we were unable to definitely determine or calculate how much, if any, of these bonuses were actually used to reimburse for campaign contributions. Nor were we able to determine to whom such reimbursements were paid.

a. The \$15,000 check to Laybourne

Wisneski recalled that during one of the first times she was asked to contribute to a political campaign, Laybourne (to whom she reported at the time) told her that she and the other employees who gave would be reimbursed by the Fiesta Bowl for their contributions: "I remember Stan explained, 'How this is going to work is I'm going to be paid a bonus, like \$10,000 or \$15,000, and then I'm going to pay all of you back.'"¹⁸¹ Wisneski recalled that the bonus Laybourne was to receive was in or around 2003.¹⁸² She could not specifically recall actually receiving a direct reimbursement from Laybourne, although she thought that if she had been reimbursed from this \$15,000 check, it was more likely that she would have received a personal check

¹⁷⁹ Schedule A. Kelly (Peterson) Keogh and Husk also made donations to Shadegg on May 6, 2006, in the amount of \$250 each. Schedule A.

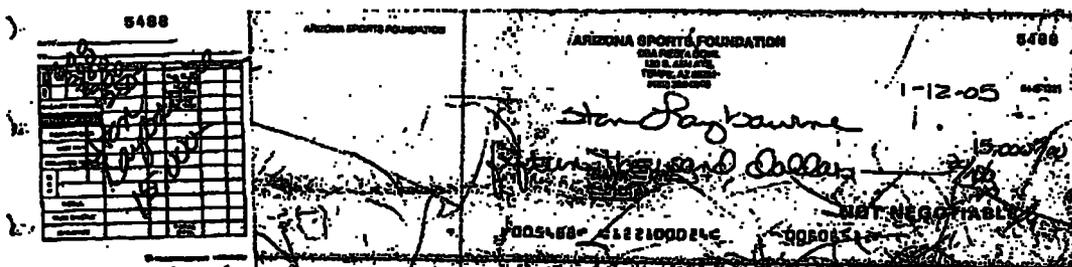
¹⁸⁰ Schedule A. Also on May 9, 2006, Kelly (Peterson) Keogh received a reimbursement check in the amount of \$277.05 for her earlier donation of \$250. Schedule A.

¹⁸¹ Wisneski 2-2-11 Int. at 2.

¹⁸² *Id.*

from Laybourne rather than cash.¹⁸³ Wisneski did not produce evidence of having received a personal check from Laybourne.

We discovered a \$15,000 check in the manual check register made out to Laybourne dated January 12, 2005.¹⁸⁴ Employees reported that January was not the usual time for performance bonuses, which were instead typically given after the close of the fiscal year, March 31, for the previous year's work.¹⁸⁵ (As noted above, Wisneski had placed the conversation with Laybourne in approximately 2003).¹⁸⁶ Before Wisneski told counsel to the Special Committee that Laybourne had allegedly received a \$15,000 check from which reimbursements were to be made, Eyanson told us that she believed it was possible that this 1-12-05 \$15,000 check to Laybourne was for campaign-contribution reimbursements, based on some numbers off to the side of the check stub, which looked to Eyanson as though they could be reimbursement amounts – 600, 300, 300, 300, 250, as shown below:¹⁸⁷



¹⁸³ *Id.*

¹⁸⁴ C00185.

¹⁸⁵ Eyanson 11-29-10 Int. at 4; Simental 1-13-11 Int. at 1; Ellis 3-3-11 Int. at 2.

¹⁸⁶ Wisneski 2-2-10 Int. at 2.

¹⁸⁷ Eyanson 11-29-10 Int. at 18.

check.¹⁸⁹ The year before the above-pictured check and the year after show contributions by Fiesta Bowl employees in the amounts of \$300 (one contribution) and \$250 (three contributions), but no \$600 contribution or multiple \$300 contributions were found, as might be suggested by the check register.¹⁹⁰

As noted above, Laybourne refused to speak with counsel to the Special Committee.¹⁹¹ He did, however, state in a letter mailed to the Special Committee's counsel: "Regarding the issue of political contributions, I told [Special Committee members] Mr. Bruner and Mr. Steve Whiternan that I had no knowledge of this matter at the time I left the Fiesta Bowl organization."¹⁹² Grant Woods also reported that when he spoke to Laybourne, Laybourne was "adamant" that the allegations regarding the Fiesta Bowl's reimbursement for campaign contributions were not true.¹⁹³

b. The \$15,000 check to Aguilar

Similar to Wisneski's recollection of the \$15,000 Laybourne check, Eyanson said that Wisneski told her in late 2006 that Aguilar was going to get a bonus in the amount of \$15,000 so that he could give people cash reimbursements for political contributions.¹⁹⁴

¹⁸⁹ *Id.*

¹⁹⁰ Schedule A. Also, as noted earlier, although we found no evidence of reimbursements to anyone outside of the staff (with the exception of volunteer Asher), a review of contribution records shows that within the week surrounding Laybourne's November 2005 contribution, Gary Husk (\$1,000 on November 28) and five board members and a board member's spouse also contributed to Kyl (eight contributions totaling \$13,600). See Schedule A.

¹⁹¹ R00925.

¹⁹² *Id.*

¹⁹³ G. Woods 11-23-10 Int. at 6.

¹⁹⁴ Eyanson 11-29-10 Int. at 17.

Aguilar confirmed that he had received a \$15,000 check on October 24, 2006, and that the purpose of that \$15,000 check was to reimburse others for campaign contributions.¹⁹⁵ (Aguilar did not discuss the \$15,000 check until his third interview with the Special Committee's counsel. The Special Committee's counsel provided Aguilar's counsel with information regarding the \$15,000 check before his third interview, and then, during that third interview, Aguilar confirmed that he withheld information regarding the check from the Special Committee's counsel during his first two interviews.)¹⁹⁶

The copy of the \$15,000 check to Aguilar has the word "VOID" scrawled through it on the duplicate check register.¹⁹⁷ Eyanson stated she wrote "VOID" on the duplicate check in her register because she understood that Junker vetoed the plan before Aguilar cashed or deposited the check.¹⁹⁸

Aguilar, however, said he did cash this check.¹⁹⁹ His personal banking records show that he deposited \$15,000 on October 24, 2006, and he made two large withdrawals, \$6,484 on October 28, 2006, and \$7,140 on May 22, 2007.²⁰⁰ With respect to the first \$6,484 withdrawal, to Aguilar's best recollection, he kept this money in his office for some period of time, and then used it to reimburse people for campaign contributions.²⁰¹ He cannot specifically recall whether or not he gave individuals cash or wrote personal checks to them.²⁰²

¹⁹⁵ Aguilar 2-1-11 Int. at 4.

¹⁹⁶ *Id.*

¹⁹⁷ *Id.* at 10; C00250.

¹⁹⁸ Eyanson 11-29-10 Int. at 17.

¹⁹⁹ Aguilar 2-1-11 Int. at 5.

²⁰⁰ Aguilar 2-1-11 Int. at 3; *see also* R01985-1991.

²⁰¹ Aguilar 2-1-11 Int. at 5.

²⁰² *Id.* at 4.

Aguilar has a vague recollection that he may have given some or all of this money to another individual at the Fiesta Bowl in one of the corner offices (which he thought could have been either Fields or Schoeffler) and that this individual may then have distributed the money.²⁰³ At the time this information was provided by Aguilar, Schoeffler had ceased cooperating with the investigation.²⁰⁴ Fields has denied any awareness of any campaign contribution reimbursement scheme.²⁰⁵

Although none of the individuals who were interviewed recalled being reimbursed by Aguilar, there were a series of campaign contributions made on October 18, 2006, for which we were unable to determine any likely matching bonuses.²⁰⁶ Those contributions, made to Weiers and Hayworth, total \$4,484; it is thus possible that the \$6,484 Aguilar withdrew on October 28, 2006, was in part used to reimburse individuals for contributions made on October 18, 2006.

Aguilar does not believe he used the remaining \$8,516 of the \$15,000 bonus check to reimburse Fiesta Bowl employees for campaign contributions.²⁰⁷ Rather, he stated that the second large withdrawal from his bank account (\$7,140 on May 22, 2007) was to make a repayment to the Fiesta Bowl. Eyanson confirmed that Aguilar ultimately paid back \$7,200 of the \$15,000 bonus.²⁰⁸ The disposition of the remaining \$1,316 ($\$8,516 - \$7,200 = \$1,316$) is unknown.

²⁰³ *Id.* at 6.

²⁰⁴ Schoeffler refused to cooperate on January 31, 2011; R02382-402.

²⁰⁵ Fields 11-24-10 Int. at 7, 8.

²⁰⁶ Schedule A.

²⁰⁷ Aguilar 2-1-11 Int. at 8.

²⁰⁸ Eyanson 1-13-11 Int. at 3.

c. Check(s) to Wisneski

Wisneski said that at some point after Laybourne was given a \$15,000 bonus check, she and Junker contacted Husk to see if Wisneski could get a "bonus" that she could use to reimburse others for their campaign contributions.²⁰⁹ According to Wisneski, Husk told Junker and her, "Yeah, it's done all the time."²¹⁰

Wisneski said she then received a \$5,000 check that she was supposed to use to reimburse people.²¹¹ Wisneski received two \$5,000 (gross) checks — one on August 22, 2008, and another on January 21, 2009.²¹² Wisneski stated that she believes that it was the January 21, 2009 check from which she was supposed to reimburse Fiesta Bowl employees for campaign contributions.²¹³ She had no specific recollection of reimbursing individuals from this amount, but stated that she does not believe she would have given cash to anyone.²¹⁴ At the Special Committee's counsel's request, Wisneski subsequently checked her personal checkbook and stated that she could not find any personal checks she had written which appeared to be campaign-contribution reimbursements.²¹⁵

Husk denied that he ever told anyone that the Fiesta Bowl could reimburse anyone for a campaign donation, and he specifically denied that he spoke to Junker and Wisneski about whether Wisneski could receive a bonus and then reimburse others from that

²⁰⁹ Wisneski 2-2-11 Int. at 5.

²¹⁰ *Id.*

²¹¹ *Id.*

²¹² Schedule A.

²¹³ Wisneski 2-10-11 Int. at 5.

²¹⁴ Wisneski 2-2-11 Int. at 5.

²¹⁵ Wisneski 2-10-11 Int. at 5-6.

bonus money.²¹⁶ He denied that he told them "everybody does it" (or words to that effect).²¹⁷ He also stated that he understood (and understands) that the law prohibited such a practice, and that he would never advise a client to break the law.²¹⁸

iii. Alleged increased expense-reimbursement checks

Some individuals interviewed stated that not all of the Fiesta Bowl's campaign-contribution reimbursements were made via "bonus" checks. Schoeffler stated that he was sometimes reimbursed through bonus checks, and other times, through an expense check.²¹⁹ For example, on June 30, 2009, Schoeffler contributed \$1,000 to John McCain.²²⁰ On August 25, 2009, he received a check for the net amount of \$4,000—\$3,000 of which he stated was to be used as a down payment on a car, and the remaining \$1,000 was for reimbursement for his contribution to McCain.²²¹

During his interview with counsel to the Special Committee, Grant Woods stated that Blouin had told him that he had been reimbursed for campaign contributions through his expense reimbursements.²²²

²¹⁶ Husk 2-10-11 Int. at 5.

²¹⁷ *See id.*

²¹⁸ *Id.*

²¹⁹ Schoeffler 11-18-10 Int. at 4.

²²⁰ Schedule A.

²²¹ Schoeffler 11-18-10 Int. at 4. The Arizona Sports Foundation check ledger just includes the notation "veh Dpmt" on the \$4,000 check. *See* C00011.

²²² G. Woods 11-23-10 Int. at 6.

iv. Other methods

Counsel to the Special Committee asked employees about whether gift cards, contributions to savings accounts, padding expense reimbursements, or other forms of transferring value could have been used to provide reimbursements for campaign contributions.²²³ Although gift cards were frequently given out to Fiesta Bowl employees, no employee identified this or any other method of receiving reimbursements other than those described above.²²⁴

4. No contributors said they knew the reimbursement practice could be illegal

A number of the reimbursed contributors stated that they did not know the practice of receiving reimbursements for their political contributions could be illegal until they read the article in *The Arizona Republic*.²²⁵ McGlynn said she was "stunned" when she read on the Arizona Central website that making these contributions could be a Class 6 felony violation.²²⁶ Likewise, Asher recalled, "I read it in the newspaper and I remember that I told my wife, 'Hey, this is a felony – I did this.'"²²⁷ Aguilar reported, "I can tell you that as recent as last year, and this is my ignorance coming, I never felt all along that anything was being done illegally or wrong. I felt at this

²²³ Simental 1-13-11 Int. at 4; Wisneski 2-2-11 Int. at 12; Keogh 1-13-11 Int. at 3; Eyanson 3-31-11 Int. at 8-9.

²²⁴ See Section III.E.7.

²²⁵ C. Martin Int. at 4; McGlynn Int. at 6, 7; Simental 11-10-10 Int. at 10; Asher 11-3-10 Int. at 3; Eyanson 11-29-10 Int. at 21; Chappin Int. at 2; see also Aguilar 11-24-10 Int. at 4 (noting that people were talking before the article came out, after it was known it was coming).

²²⁶ McGlynn Int. at 6, 7.

²²⁷ Asher 11-3-10 Int. at 3.

point I was still just doing my job, and I felt, who would put me in this predicament?"²²⁸

Eyanson noted that, before seeing the article, she had asked if the Fiesta Bowl could lose its nonprofit status as a result of the reimbursements: "That's a big deal, and we all freaked out."²²⁹ Later, when the article in *The Arizona Republic* was published, Eyanson looked up "Class 6 felony" on the Internet.²³⁰ When she learned that violators could get prison time, she was "scared, upset and sick to my stomach."²³¹

5. Laybourne's alleged concerns about political-contribution reimbursements

Like most of the other individuals who were reimbursed, Wisneski said she did not realize that the practice could be a criminal violation until she read *The Arizona Republic* article.²³² Wisneski said, however, that she understood before reading the article that the practice of reimbursing for political contributions could affect the Fiesta Bowl entities' 501(c)(3) status.²³³

Wisneski recalled that Laybourne was upset with Junker over the reimbursements and that he had confronted Junker, saying, "This could jeopardize our 501(c)(3) status."²³⁴ She said Laybourne would also come to Wisneski and tell her, "[H]e [Stan] was not very happy about it. I think he even told me that he was hoping it was

²²⁸ Aguilar 2-1-11 Int. at 10.

²²⁹ Eyanson 1-10-10 Int. at 12.

²³⁰ *Id.*

²³¹ *Id.*

²³² Wisneski 2-2-11 Int. at 3.

²³³ *Id.* at 2.

²³⁴ *Id.*

just going to be one or two times, but it wasn't, it just kept happening."²³⁵ Laybourne's alleged concerns prompted Wisneski to speak to Junker as well, but she said that Junker denied that the organization's nonprofit status was in jeopardy and instead instructed her to cut Laybourne out of the reimbursement process.²³⁶

As noted above, Laybourne declined to speak with counsel to the Special Committee. Certain memoranda from the Fiesta Bowl's files, however, appear consistent with Wisneski's recollection that Laybourne was concerned about the Fiesta Bowl's 501(c)(3) status, among other things. For example, in 2003, Laybourne and Wisneski received a memo from an individual named Amy Day that explained that 501(c)(3) organizations could be liable for a tax on each political expenditure and that "in addition, 'a tax of 2.5% (up to \$5,000 per expenditure) is imposed on any organization manager who willfully, and without reasonable cause, agrees to the expenditure.'"²³⁷ In addition to political expenditures, the memo also discussed the tax penalties associated with persons who benefit from excess benefit transactions.²³⁸

Laybourne appears to have summarized this memorandum from Amy Day in a September 29, 2003 email he sent to Junker, Craig Williams (General Counsel, member of the Snell & Wilmer firm), Leon Levitt (then-Chairman of the Board), and Wisneski.²³⁹ In this email, Laybourne underscored the definition of political expenditure – the text is underlined in the original by Laybourne: "'Political Expenditure' means any amount paid or incurred for any participation in, or intervention in (including publication or

²³⁵ *Id.*

²³⁶ *Id.* at 4.

²³⁷ R00356-58.

²³⁸ *Id.*

²³⁹ R00359.

distribution of statements), any political campaign on behalf of or in opposition of any public office candidate."²⁴⁰ In the email, Laybourne also relayed a summary of excess benefit transactions and the penalties that could be imposed.²⁴¹ Laybourne concluded his email by warning, "Being your PARANOID CFO, I wanted to make sure we all knew these rules as I continue to believe that not-for-profits will be the next target of scrutiny."²⁴²

6. Several employees made contributions reportedly against their stated political inclinations

Several of the 11 individual contributors who report that they received reimbursements stated that they gave without regard to their own personal political beliefs.²⁴³ Thus, Keogh (whose reimbursed contributions were primarily to Republicans) said she is a Democrat.²⁴⁴ Simental (whose reimbursed contributions were primarily to Republicans) also said she is a Democrat.²⁴⁵ Schoeffler noted that when he went back through his check registers in preparation for his interview with counsel to the Special Committee, he realized that he had written checks to people he did not even know or recognize: "I had to Google the computer to see who they were."²⁴⁶

²⁴⁰ *Id.*

²⁴¹ *Id.*

²⁴² *Id.* (Capital letters as in original.)

²⁴³ McGlynn Int. at 6; Keogh 11-22-10 Int. at 5, 9; Simental 11-10-10 Int. at 5.

²⁴⁴ See Schedule A (showing Keogh donations to Shadegg, Hayworth, Allen, and Weiers – all Republicans); Keogh 11-22-10 Int. at 5, 9.

²⁴⁵ Simental 11-10-10 Int. at 5.

²⁴⁶ Schoeffler 11-18-10 Int. at 7.

7. Alleged reimbursements to Junker, Fields, and Schulman

As stated above, Wisneski reported that the Fiesta Bowl reimbursed campaign contributions for Junker, Fields, and Schulman.²⁴⁷ At our request, Wisneski and Eyanson placed checkmarks next to Junker's and Fields' campaign contributions that they believed were likely reimbursed.²⁴⁸ In addition, Wisneski separately identified two campaign contributions made by Schulman that she said were reimbursed.²⁴⁹

For each of the Junker, Fields, and Schulman campaign contributions Wisneski and/or Eyanson believed were reimbursed, we investigated possible "bonuses" that may have been the reimbursements for these contributions. If we received information regarding an alleged reimbursement "bonus" check, we then included those contributions in our total. The charts on the following pages show the Junker, Fields, and Schulman campaign contributions and reimbursements that we have included in our total, followed by a discussion of each. (These are also found in Schedule C.)

Junker's potential reimbursements

Junker				bonus / Reimbursement		Check book Memo
Donor	Candidate PAC	Date	Contrib. Amount	Gross Amount	Net Amount	
Junker, John	Bundgaard, Scott	8-14-00	\$ 256			
Junker, John	Gardner, Mike	8-23-00	\$ 250			

²⁴⁷ Wisneski 2-2-11 Int. at 6, 8; Wisneski 3-3-11 Int. at 3-4.

²⁴⁸ R00911-14; R00922-24.

²⁴⁹ Wisneski 3-3-11 Int. at 3-4.

Junker				Bonus/ Reimbursement		Check- book Memo
Donor	Candidate- PAC	Date	Contrib Amount	Gross Amount	Net Amount	
Junker, John	Allen, Carolyn	9-01-00	\$ 150			
Junker, John	Carpenter, Ted	9-05-00	\$ 200			
Junker, John	Knaperek, Laura	9-06-00	\$ 200			
Junker, John	AZ Wins	9-11-00	\$ 1,200			
Junker, John & Susan	Martin, Phil	9-19-00	\$ 150			
Junker, John	Cummiskey, Christopher	9-25-00	\$ 150			
Junker, John	Mitchell, Harry	10-11-00	\$ 250			
Junker, John	Bennett, Ken	1-08-01	\$ 250			
Junker, John	Arizona Republican Party	8-13-01	\$ 700			
Junker, John	McCain, John	2-26-03	\$ 2,000			
Junker, John	Kunasek, Andrew	2-23-04	\$ 350			
Junker, John	Wilcox, Mary Rose	March 04	\$ 350			
Junker, John	Flake, Jake	7-13-04	\$ 150			
Junker, Susan	Flake, Jake	7-13-04	\$ 150			
Junker, John	McCain, John	10-30-04	\$ 1,000			
Junker, John	Allen, Carolyn	9-08-05	\$ 250			
Junker, John	McCain, John	4-28-06	\$ 1,000			
Junker, Susan	Kyl, Jon	6-16-06	\$ 500			
Junker, Susan	Hayworth, JD	10-18-06	\$ 1,500			
Junker, Susan	Allen, Carolyn	11-25-06	\$ 296			
			\$11,302			

Junker

Donor	Candidate-PAC	Date	Contrib Amount	Bonus/Reimbursement		Checkbook Memo
				Gross Amount	Net Amount	
		2-26-07		\$ 31,948.88	\$ 20,000	Bonus
Junker, John	McCain, John	3-08-07	\$ 2,100			
Junker, Susan	McCain, John	3-08-07	\$ 2,100			
			\$ 4,200			
		8-23-07		\$ 5,522.97	\$ 4,200	Bonus MC
Total			\$ 15,502			

Although John and Susan Junker were frequent campaign contributors, the manual checkbook register does not contain a number of small bonus checks for Junker as it does for other employees.²⁵⁰ Wisneski, however, recalled at least two instances in which she says Junker was reimbursed for political contributions.²⁵¹

According to Wisneski, the first such instance was in February 2007. Wisneski recalled that in February 2007 Junker received a \$20,000 bonus—this followed the Bowl's first three-game season.²⁵² None of the Board Chairs for 2006-2008 could recall giving Junker this bonus,²⁵³ nor could Wisneski find the memo authorizing the bonus in Junker's personnel file.²⁵⁴ Richard Stemple, the Chair at the time, recalled only one bonus, awarded in May 2007 for \$100,000.²⁵⁵

²⁵⁰ See Schedule A.

²⁵¹ Wisneski 2-2-11 Int. at 6; Wisneski 2-10-11 Int. at 2.

²⁵² Wisneski 2-10-11 Int. at 2.

²⁵³ Ziegler 2-15-11 Int. at 2; Stemple Int. at 2; Tilson 2-15-11 Int. at 1-2.

²⁵⁴ Wisneski 2-10-11 Int. at 3.

²⁵⁵ Stemple Int. at 3; R01952-53.

Only the Compensation Committee of the Board is authorized to award Junker a bonus.²⁵⁶

According to Wisneski, before this \$20,000 bonus check had been issued, Junker came into her office holding a list of campaign contributions that he and his wife had made over the years.²⁵⁷ Wisneski said Junker told her he needed to be reimbursed for all these contributions.²⁵⁸ Wisneski stated that Junker showed her the list, but did not give it to her.²⁵⁹

Wisneski said she was upset about Junker's request, but that she went into Eyanson's office and asked Eyanson what amount Junker would receive if they "grossed up" the bonus so that instead of receiving a gross bonus of \$20,000, Junker would receive a bonus that netted to \$20,000.²⁶⁰ Eyanson's calculations showed that if they paid Junker \$31,948.88 (or \$11,948.88 more), then his bonus would net to \$20,000.²⁶¹ Wisneski recalled that this \$11,948.88 was close to—but slightly higher than—the tally of campaign contributions Junker had given her, so she instructed Eyanson to make a bonus to Junker of \$31,948.88.²⁶²

Junker's bonus check for \$31,948.88 is dated February 26, 2007.²⁶³ The total of all the campaign contributions Junker and his wife Susan gave from 2000 up until this date is \$11,302.²⁶⁴ We have

²⁵⁶ Hickey 2-18-11 at 1-2; Tilson 2-15-11 Int. at 2; Young 2-18-11 Int. at 2.

²⁵⁷ Wisneski 2-10-11 Int. at 2.

²⁵⁸ *Id.*

²⁵⁹ *Id.*

²⁶⁰ *Id.*

²⁶¹ *Id.*

²⁶² *Id.*

²⁶³ C00117.

²⁶⁴ Schedule C.

included this \$11,302 amount in our calculations of contributions that were allegedly reimbursed by the Fiesta Bowl.

Junker's annual bonuses were issued in round-number amounts, and the Compensation Committee's memos authorizing the bonuses do not state that they should be grossed up for taxes.²⁶⁵ One Board member commented that to interpret the bonus as something that should be grossed up would be deceitful.²⁶⁶ Junker's earlier, annual bonuses were not grossed up for taxes.²⁶⁷ With the exception of the Whisper Rock payments—which were designed to net \$10,000—Junker's performance bonuses were round-number gross amounts.²⁶⁸

According to Wisneski, the second alleged Junker reimbursement check was written in August 2007.²⁶⁹ On March 8, 2007, John and Susan Junker each gave \$2,100 to McCain's campaign, for a total of \$4,200.²⁷⁰ Wisneski recalled that the Fiesta Bowl provided Junker with a \$100,000 bonus in May 2007.²⁷¹ A few months after Junker received this \$100,000 bonus, Wisneski stated that Junker came to her and said, "I haven't received my reimbursement yet."²⁷² Wisneski stated that she was uncomfortable, but went to Eyanson and told her Junker wanted to be reimbursed so she should write out a check.²⁷³

²⁶⁵ See, e.g., R00601-02; R01952-62.

²⁶⁶ Ellis 3-3-11 Int. at 2.

²⁶⁷ Schedule A; see also Section E.5.A.

²⁶⁸ *Id.*; see e.g., R00601-2; R01952-62.

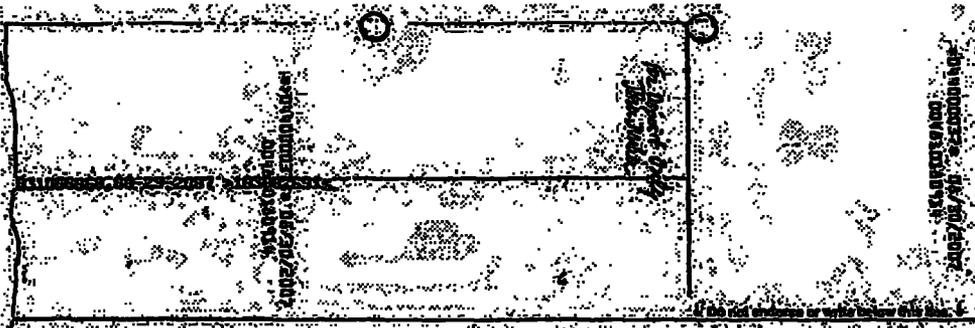
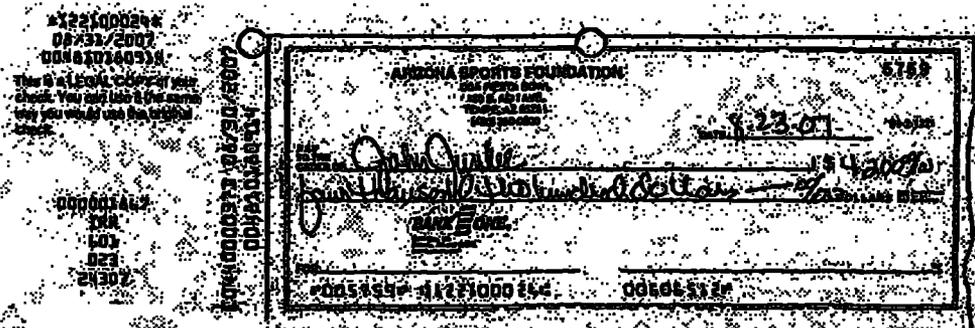
²⁶⁹ Wisneski 2-10-11 Int. at 2.

²⁷⁰ Schedule A.

²⁷¹ Wisneski 2-2-11 Int. at 6.

²⁷² *Id.* at 5-6.

²⁷³ *Id.* at 6.



Stemple, the Chair at the time, stated that he was not aware of any means by which Junker could receive a bonus other than through Board authorization.²⁷⁶ Stemple also stated that he did not recall any \$4,200 net bonus to Junker in August 2007.²⁷⁷

²⁷⁶ Stemple 2-15-11 Int. at 2.

²⁷⁷ Id.

As noted earlier, Junker refused to talk with the Special Committee's counsel about political contributions or their alleged reimbursement.²⁷⁸

Fields' potential reimbursements

Fields				Bonus Reimbursement		Check-book Memo
Donor	Candidate PAC	Date	Contrib. Amount	Gross Amount	Net Amount	
Fields, Jamie	McCain, John	4-28-06	\$ 1,000			
		5-19-06		\$ 1,600.00	\$ 1,408.67	Bonus-Frito lay NFL
Fields, Jay	Allen, Carolyn	11-25-06	\$ 296			
		12-27-06		\$ 304.71	\$ 300.00	
Fields, Jay	Brewer, Jan	11-05-09	\$ 140			
Fields, Jamie	Brewer, Jan	11-05-09	\$ 140			
			\$ 280			
		11-19-09		\$ 500.00	\$ 340.37	Bonus
Total			\$ 1,576			

As noted above, Fields has denied being reimbursed for campaign contributions.²⁷⁹ Wisneski, Eyanson, and Schoeffler, however, have each stated that they believe Fields was reimbursed.²⁸⁰

Our master campaign spreadsheet (Schedule A) shows nine campaign contributions by Fields and his wife, Jamie.²⁸¹ This

²⁷⁸ Junker 1-31-11 Int. at 6.

²⁷⁹ Fields 11-24-10 Int. at 7, 8.

²⁸⁰ Wisneski 2-2-11 Int. at 8; Schoeffler 11-18-10 Int. at 9; Eyanson 11-13-11 Int. at 9-10; R00911-12; R00922.

²⁸¹ Schedule A.

schedule also shows that Fields received 18 checks from the manual payroll checkbook. It appears that many of these 18 checks are for bonuses and expense reimbursements for Fields' work as an independent contractor, before he became a regular employee of the Fiesta Bowl, and that may thus bear no connection to campaign contributions.²⁸²

Certain checks, however, could be campaign reimbursements. We provided these to Fields and his counsel, and they in turn supplied information with respect to several of these checks to support Fields' contention that they were in fact legitimate bonuses and not reimbursements for campaign contributions.²⁸³

Conversely, Wisneski has stated that she believes Fields was reimbursed for at least seven of the nine donations Fields and his wife made over the past decade.²⁸⁴ For three of these seven campaign contributions, we found no readily apparent subsequent bonus that ties to those contributions, and we thus elected not to include them in our total count.

Four of the Fields contributions identified by Wisneski and Eyanson, however, are followed by bonus checks that—if Wisneski, Schoeffler, and Eyanson are correct—may have been campaign-contribution reimbursements. Each of these were given on the same day that others at the Fiesta Bowl made contributions, and each is followed by a bonus check that was given to Fields on the same day that at least one other employee received a bonus that is an admitted campaign-contribution reimbursement. For example:

²⁸² Schedule A.

²⁸³ Fields 1-19-11 Int. at 1-2, 5.

²⁸⁴ R00922; Eyanson believes Fields was reimbursed for at least four donations. R00911-12.

1. Fields' wife Jamie gave \$1,000 to "Straight Talk America" (a John McCain PAC) on April 28, 2006 (along with Junker, Wisneski, and McGlynn).²⁸⁵ Fields and McGlynn both received bonus checks three weeks later on May 19, 2006.²⁸⁶ McGlynn remembered that she was reimbursed for this contribution.²⁸⁷ Fields stated that he did not specifically recall the \$1,600 bonus he received on May 19, but noted that the bonus is labeled "Frito-lay NFL" and provided documentation showing that the agreement between the Insight Bowl and the NFL was signed on April 21, 2006, and that there were emails regarding the local agreement between the Fiesta Bowl and Tostitos in the early May 2006 time frame.²⁸⁸
2. Fields gave \$296 to Carolyn Allen's campaign on November 25, 2006.²⁸⁹ Five others also contributed to Carolyn Allen's campaign on November 25, 2006.²⁹⁰ A month later, Fields and three of his colleagues (Simental, Wisneski, and Eyanson) received what Simental, Wisneski, and Eyanson said were reimbursement checks.²⁹¹ Fields stated that he does not recall the purpose of the \$300 check he received on December 27, 2006.²⁹²

²⁸⁵ Schedule A.

²⁸⁶ *Id.*

²⁸⁷ McGlynn Int. at 6.

²⁸⁸ R00376-89.

²⁸⁹ Schedule A.

²⁹⁰ *Id.*

²⁹¹ R00907-12; R00917-22; Simental 1-13-11 Int. at 4, 6.

²⁹² Fields 12-9-10 Int. at 5.

3. Fields and his wife each gave a \$140 campaign contribution to Jan Brewer on November 5, 2009.²⁹³ Wisneski also gave a \$140 contribution on that date.²⁹⁴ Both Wisneski and Fields received bonus checks two weeks later, on November 19, 2009.²⁹⁵ Wisneski's check was for \$250; Fields (who had given twice as much) received \$500.²⁹⁶ Wisneski said the checks given to herself and Fields were reimbursements for their contributions to Jan Brewer's gubernatorial campaign.²⁹⁷ Fields, however, stated that this bonus was given as a result of his successful closing on an extension for the Insight Bowl sponsorship, and he has supplied documents showing that he was in negotiations during this time period and that the deal closed on November 11, 2009.²⁹⁸ Wisneski reviewed the documents Fields provided to support his position on this bonus and said that they did not alter her opinion that Fields was reimbursed for the campaign contributions.²⁹⁹ She further noted that it was, in her opinion, highly unlikely that Fields would receive such a small bonus for such a large endorsement, and that it was not the right time to be receiving bonuses in any case.³⁰⁰

²⁹³ Schedule A.

²⁹⁴ *Id.*

²⁹⁵ *Id.*

²⁹⁶ *Id.*

²⁹⁷ R00922; Wisneski 2-10-11 Int. at 6; Wisneski 2-16-11 Int. at 5.

²⁹⁸ R00363-72; Fields 12-9-10 Int. at 4; Fields 1-19-11 Int. at 4.

²⁹⁹ Wisneski 2-10-11 Int. at 6.

³⁰⁰ *Id.*

As discussed above, if one includes these four contributions, the total amount of campaign contributions allegedly reimbursed by the Fiesta Bowl is \$46,539. If all the Fields campaign contributions Wisneski and Eyanson have said were reimbursed were included in the count, the total would be \$48,529; if none of the Fields contributions were included, the total would be \$44,963.

Schulman's potential reimbursements

Schulman				Bonus Reimbursements		Check-book Memo
Donor	Candidate / PAC	Date	Contrib. Amount	Gross Amt.	Net Amt.	
Schulman, Marc	Kunasek, Andrew	02-22-04	\$ 50.00			
Schulman, Marc	Wilcox, Mary Rose	March 2004	\$ 25.00			
		05-24-04		\$ 350.00	\$323.22	
Total			\$ 75.00			

Schulman made two campaign contributions—a \$50 donation to Andrew Kunasek on February 22, 2004, and a \$25 donation to Mary Rose Wilcox in March 2004.³⁰¹ Wisneski has identified both of these contributions as ones that she believed were reimbursed by a subsequent bonus check Schulman received on May 24, 2004 for \$350.³⁰² With respect to Schulman's two donations of \$25 and \$50, Wisneski stated (without prompting as to the amounts) that Junker was annoyed at Schulman because the donation amounts were so small.³⁰³ In addition to Schulman, twelve other individuals received bonuses on May 24, 2004; of those twelve at least eight, including Blouin, had given earlier campaign contributions to Wilcox and/or

³⁰¹ Schedule C.

³⁰² Wisneski 3-3-11 Int. at 4.

³⁰³ *Id.*

Kunasek.³⁰⁴ Based on Wisneski's recollection and the pattern demonstrated by our spreadsheet (Schedule A), we have elected to count Schuiman's \$75 in contributions in the total.

C. The first investigation

1. *The Arizona Republic* article

On December 18, 2009, *The Arizona Republic* published an article written by reporter Craig Harris titled "Fiesta Bowl employees say bowl repaid political contributions/CEO John Junker denies repayments, which would violate election laws."³⁰⁵ In this article, *The Arizona Republic* reported that past and present Fiesta Bowl employees stated that they were encouraged to write checks to specific political candidates and then were reimbursed by the Fiesta Bowl for their contributions.³⁰⁶ The article also highlighted certain information from the Fiesta Bowl tax returns, including expenditures for entertainment and lobbyists (including Husk Partners) and tickets and trips for legislators.³⁰⁷

In approximately October-November 2009, a number of individuals associated with the Fiesta Bowl were aware that *The Arizona Republic* was planning to publish an article alleging that the Fiesta Bowl reimbursed employees for campaign contributions they had made.³⁰⁸ These individuals knew that Harris was asking

³⁰⁴ Schedule A.

³⁰⁵ R01550.

³⁰⁶ *Id.*

³⁰⁷ R01554.

³⁰⁸ R01360-61.

questions about the Fiesta Bowl's alleged reimbursement of campaign contributions.³⁰⁹

Tony Alba, Director of Media Operations for the Fiesta Bowl, stated that Harris called him before the article and laid out a number of subjects he currently was writing about, including campaign contributions, salaries and bonuses of employees, and two unsecured loans the Fiesta Bowl had given to Junker and another individual.³¹⁰ Alba said he took notes on the questions Harris was asking (which Alba called "pretty serious issues") and then took his notes to Junker and Wisneski, who told him that he should not worry because Harris called every year and always published negative articles about the Fiesta Bowl.³¹¹ Similar to what Alba reported, a number of other individuals told counsel to the Special Committee that Harris regularly wrote negative-leaning articles regarding the Fiesta Bowl.³¹²

A review of Harris' articles published before his December 2009 article regarding campaign contributions, however, appears to show that Harris had written few, if any, articles about the Bowl that could fairly be described as completely negative³¹³ and that, in fact,

³⁰⁹ *Id.*

³¹⁰ Alba Int. at 3; R01964-65.

³¹¹ *Id.*

³¹² See Husk 11-3-10 Int. at 4; Williams 12-8-10 Int. at 3; Young 12-16-10 Int. at 2 (claiming Junker said Harris' article was usual negative article about the Bowl); Bagnato Int. at 6-7 ("I think he has an agenda – and I have been very slow coming to that conclusion. It is not to say that his stories have been inaccurate.").

³¹³ See, e.g., Craig Harris, *Bowls' Execs Make Top Dollar*, THE ARIZONA REPUBLIC, Dec. 17, 2004 (comparing Junker's and Blouin's salaries to other bowl executives, but also quoting Fiesta Bowl board chairman's praise for Junker as well as Junker's praise for Blouin) (R01907-08); Craig Harris, *Insight Bowl Loses Money But Won't Be Canceled*, THE ARIZONA REPUBLIC,

the majority of Harris' pre-2009 articles regarding the Bowl appeared generally positive.³¹⁴

In his discussion regarding the Harris allegations, Alba specifically remembered Junker stating, "I have never made a campaign contribution reimbursement, never."³¹⁵ He also recalled that Wisneski had told him that the Fiesta Bowl gave frequent bonuses to employees but had not reimbursed for campaign contributions.³¹⁶ Alba said he turned his notes over to Junker and did not hear anything further until Harris called again about two weeks later asking about Blue Steel Consulting.³¹⁷ With respect to this

Aug. 22, 2003 (discussing fact that Insight Bowl lost money and noting Junker's increased salary, but also quoting past board president's praise for Junker and noting economic impact bowls have on Phoenix) (R01919-20); Craig Harris, *Fiesta Bowl: A Blend of Power, Cash*, THE ARIZONA REPUBLIC, Nov. 30, 2002 (discussing revenue generated by major bowls, amounts bowls must expend in wooing top teams, and noting Junker's and Blouin's salaries but also quoting board chairman's praise of Junker and other executives' praise of Blouin) (R01911-14).

³¹⁴ See, e.g., Craig Harris, *Proposed Bowl Plan a Boost For Valley*, THE ARIZONA REPUBLIC, June 10, 2004 (R01925-26); Craig Harris, *Post-Christmas Pick-Me-Up; Hotels to Benefit From Insight Bowl*, THE ARIZONA REPUBLIC, Dec. 25, 2003 (R01923-24); Craig Harris, *Matchup Hits Pay Dirt; Teams' Strong Fans an Economic Boon*, THE ARIZONA REPUBLIC, Dec. 19, 2003 (R01921-22); Craig Harris, *Fiesta Bowl Scored TD for Economy; Title Game Generated \$153 Mil.*, THE ARIZONA REPUBLIC, May 5, 2003 (R01917-18); Craig Harris, *Bowl Game Fans to Buy; Shops, Restaurants, Hotels and Strip Clubs Cashing In*, THE ARIZONA REPUBLIC, Jan. 3, 2003 (R01909-10); Craig Harris, *Fiesta Bowl Filling Up Valley Hotel Rooms Fast*, THE ARIZONA REPUBLIC, Dec. 11, 2002 (R01915-16).

³¹⁵ Alba Int. at 4.

³¹⁶ *Id.*

³¹⁷ *Id.* See Section III.E.12.a for additional discussion of Blue Steel Consulting.

second call from Harris, Alba said he was told by his superiors to notify Husk and run everything through Husk, which he did.³¹⁸ Alba reported that Husk helped him by suggesting ways he could respond to reporters' future requests.³¹⁹

Husk stated that he first heard about the allegations regarding political-contribution reimbursements when he learned from Fiesta Bowl employees that Harris was making calls and asking about political contributions made by employees on the same day.³²⁰ Husk said he attempted to explain to Harris that there were instances when employees had all made contributions on the same day either because there was a fundraiser or because it was the last day before the contribution deadline.³²¹ Husk said he was "pissed off" because he thought he had personally and successfully explained to Harris why employees made contributions on the same day, and yet Harris wrote the article anyway.³²² Husk called the article "total garbage" and stated that "it was obvious to us that he was just out to get us."³²³

Then-Board Chair Young recalled Harris contacted him before the article was published (perhaps in late October 2009) and asked about topics such as reimbursements for campaign contributions, Junker's salary, loans to Junker, and legislative trips.³²⁴ Young said he asked Junker directly about the campaign-contribution allegations and was told by Junker that he had no idea what Harris was talking

³¹⁸ *Id.* at 5.

³¹⁹ *Id.*

³²⁰ Husk 11-3-10 Int. at 3.

³²¹ *Id.* at 4.

³²² *Id.*

³²³ *Id.*

³²⁴ Young 12-16-10 Int. at 1, 2.

about.³²⁵ Young noted that he and Junker thought that the allegations must have stemmed from a disgruntled ex-employee.³²⁶ Current Board Chair, and then-Board member, Duane Woods also believes he was contacted by Harris in November 2009.³²⁷

John Zidich, publisher of *The Arizona Republic* and also a member of the Fiesta Bowl Board, said he received a "heads up" from someone at the paper shortly before the article was published but that he had never heard of the allegations in the article before then.³²⁸ Zidich said he had a conversation with Junker around the time that the article was to be published in which Zidich told Junker that if there was "anything unusual, it needed to come out."³²⁹ According to Zidich, Junker did not react to Zidich's comment.³³⁰

Zidich said he has made it clear to *The Arizona Republic* editor, Randy Lovely, that because of his position on the Fiesta Bowl Board, he would not be involved in any news articles or editorials regarding the Fiesta Bowl.³³¹ Zidich noted that he has not influenced Harris' stories, as should be clear from the fact that Harris has continued to write articles about the Fiesta Bowl, even though Zidich remains on the Board.³³²

Andy Bagnato, the Director of Public Relations for the Fiesta Bowl, did not start work at the Fiesta Bowl until February 2010. Bagnato recalled advising Junker that he had actually worked with

³²⁵ *Id.* at 2.

³²⁶ *Id.*

³²⁷ D. Woods 12-16-10 Int. at 2.

³²⁸ Zidich Int. at 2.

³²⁹ Zidich Int. at 1.

³³⁰ Zidich Int. at 1-2.

³³¹ Zidich Int. at 2.

³³² *Id.*

Harris for a couple years and never had any issues with him.³³³ Bagnato said that once he was employed by the Fiests Bowl, he had every intention of reaching out to Harris to have a general discussion with him, "but John [Junker] said no to that."³³⁴ Bagnato further related that during his discussion with Junker, "I told him I thought it would be helpful if I had a talk with Mr. Harris, that it might help in trying to get an understanding what his problem was about the Bowl and maybe even see what motivates him, but John just said 'that's not a good idea', so I said okay – I didn't argue with him."³³⁵

2. Junker's alleged concerns regarding the Harris article

Wisneski said that once Junker became aware that the campaign-contribution reimbursement allegations were going to become public, he became concerned about the August 23, 2007 \$4,200 check that Wisneski said had been written to him to reimburse him for his and his wife's \$4,200 contributions to McCain.³³⁶ Wisneski explained that for Junker, unlike for other employees, only the Board of Directors could authorize a bonus, and there was no Board authorization for this check.³³⁷ Wisneski recalled Junker saying, "Oh my gosh, there's that check. What am I going to do?"³³⁸

According to Wisneski, Junker said he was going to ask Husk what he should do and that the two of them would come up with something.³³⁹ Wisneski said Husk came up with the idea that he

³³³ Bagnato Int. at 2.

³³⁴ *Id.* at 5.

³³⁵ *Id.*

³³⁶ Wisneski 3-3-11 Int. at 8.

³³⁷ *Id.*

³³⁸ Wisneski 2-2-11 Int. at 6.

³³⁹ *Id.*

would submit an invoice for personal legal services to Junker.³⁴⁰ The plan, Wisneski said, was that Junker would then go to Stemple (who was Chairman of the Board at the time the check was written) and request that Stemple say that as part of Junker's review he had approved that the Bowl would cover some of Junker's personal legal fees.³⁴¹ (Wisneski pointed out it was not uncommon for Junker, at his year-end review, to receive a new prerequisite from the Board, such as an additional reimbursement for medical expenses.)³⁴²

Wisneski said that she did not know why, but this plan fell through and she never received an invoice from Husk for Junker's purported personal legal fees.³⁴³ She said Junker then told her that he was going to say that he had been authorized by Stemple to receive this money to pay for medical expenses.³⁴⁴ Like the first plan, however, Wisneski said she believes this one fell through as well.³⁴⁵

Stemple denied any knowledge of either alleged plan and said he was never contacted by Junker regarding Junker's personal legal fees.³⁴⁶ Wisneski said she does not believe Stemple was ever contacted.³⁴⁷

Husk denied knowing about any campaign-contribution reimbursements by the Fiesta Bowl, including the alleged \$4,200 reimbursement check to Junker in August 2007.³⁴⁸ He specifically

³⁴⁰ *Id.*

³⁴¹ *Id.*

³⁴² *Id.*

³⁴³ *Id.*

³⁴⁴ *Id.*

³⁴⁵ *Id.* at 6-7.

³⁴⁶ Stemple Int. at 2.

³⁴⁷ Wisneski 3-3-11 Int. at 8.

³⁴⁸ Husk 2-10-11 Int. at Addendum p. 25.

denied talking with Wisneski about any purported plan to submit an invoice to Junker for personal legal fees to conceal the source of the alleged \$4,200 reimbursement.³⁴⁹ And as stated above, Junker refused to discuss the topic of campaign contributions with counsel to the Special Committee:

3. Genesis of first internal investigation

a. Dallas conversation

According to Husk, on the first Saturday in December 2009 (which would have been December 5, 2009), he attended the Big 12 Championship Game in Dallas, Texas, with Junker and Young.³⁵⁰ Husk stated, "we talked about it [the allegations in the forthcoming article] and agreed to bring in a third party to investigate the rumors and allegations."³⁵¹ Husk said he was asked by Junker and Young who should do the investigation and Husk gave them several names, including that of former Arizona Attorney General Grant Woods.³⁵² A couple days later, according to Husk, Young called him and said, "Let's go with Grant Woods."³⁵³ Husk said Young told Husk to contact Woods and tell him that he had been selected.³⁵⁴

Young also recalled that he, Husk, and Junker discussed the campaign-contribution reimbursement allegations at the game in Dallas.³⁵⁵ He recalled that both Husk and Junker proposed several options of how to address the allegations, but that it was Husk who

³⁴⁹ *Id.*

³⁵⁰ Husk 11-3-10 Int. at 4.

³⁵¹ *Id.*

³⁵² *Id.*

³⁵³ *Id.*

³⁵⁴ *Id.*

³⁵⁵ Young 12-16-10 Int. at 3.

said that they should hire Grant Woods to do an internal investigation.³⁵⁶ Young recalled, "I remember I said there were ether attorneys, but Grant Woods had a good reputation so we agreed with Woods."³⁵⁷

b. Board discussion and retention of Grant Woods

Before the discussion at the Decembor Big 12 championship game in Dallas, some discussion may have occurred at the November 23, 2009 Board of Directors' meeting about retaining someone to do an investigation of the allegations regarding reimbursement of campaign contributions.

The meeting minutes for the November 23, 2009 meeting state, "Junker reported that it has come to his attention that a reporter at the *Arizona Republic* is working on a etory regarding our organization and some of our activities, including lobbying interests and memberships."³⁵⁸ Although he cannot recall whether he was present at the November 23 Board meeting, Board member (and 2005 Board Chair) Mike Allen said it was his understanding that there had been discussion at that meeting about the article that was to appear in *The Arizona Republic*.³⁵⁹ Board Member (and 2007 Board Chair) Tilson remembered that Husk was present at the first Board meeting in which the investigation was discussed, and that Husk told the Board, "[I]f you think Grant Woods is the guy—I will go pitch it He's credible. I think he is the guy."³⁶⁰ Then-Board member and

³⁵⁶ *Id.*

³⁵⁷ *Id.*

³⁵⁸ In a draft of the minutes, someone has deleted the next sentence, which read: "He said that on all items that have come to his attention we are legal and right in our operations." R00397; R02669-86; R02699-702.

³⁵⁹ Allen 12-8-10 Int. at 1.

³⁶⁰ Tilson 11-22-10 Int. at 4; the November 23 Board meeting minutes do not show Husk as present. R00396-98.

current Board Chair Duane Woods recalled that there was no particular process involved to determine who should conduct the investigation, but that Husk made the recommendation to have Grant Woods lead it, and "because Husk was acting as counsel to the Bowl, the Board relied on his advice."³⁶¹

Grant Woods—no relation to Duane Woods—served as Arizona's Attorney General from 1991 to 1999.³⁶² Before that, he had a private law practice, handling both civil and criminal matters (1984-90) and served as John McCain's chief of staff (1983-84).³⁶³ He had not previously done any work for the Fiesta Bowl.³⁶⁴ During at least their initial interviews with counsel to the Special Committee, Grant Woods and Husk each described having a worm relationship with one another and noted that they were former co-workers.³⁶⁵ When he was Attorney General, Woods hired Husk to work in his office and they worked together when Woods was Attorney General.³⁶⁶

In September 2010, Woods, a self-described "Goldwater Republican," endorsed the campaign of Felecia Rotellini, a Democrat, who lost the election to current Arizona Attorney General Tom Horne.³⁶⁷ At the time he was retained by the Fiesta Bowl, Woods was also serving as the co-campaign chair for the re-election campaign of Arizona's Republican Governor, Jan Brewer.³⁶⁸ Before

³⁶¹ D. Woods 12-16-10 Int. at 2.

³⁶² G. Woods 11-23-10 Int. at 1.

³⁶³ *Id.*

³⁶⁴ *Id.*

³⁶⁵ G. Woods 11-23-10 Int. at 1; Husk 11-3-10 Int. at 6.

³⁶⁶ G. Woods 11-23-10 Int. at 1.

³⁶⁷ *Id.*; R02687.

³⁶⁸ R02688-89.

Woods was retained by the Fiesta Bowl, four Bowl employees and two employee spouses contributed \$840 to Brewer's campaign and one former employee and one former Board member each contributed \$280.³⁶⁹ After Woods' retention, no one connected to the Bowl contributed to Brewer's campaign.³⁷⁰

Grant Woods recalled that Husk asked him if he would investigate allegations that Fiesta Bowl employees were asked to contribute to political campaigns and then were reimbursed by the Fiesta Bowl for those contributions.³⁷¹ Woods stated that it was his understanding that the impetus for the investigation was *The Arizona Republic* newspaper article.³⁷² Woods believed the allegations were all made anonymously, either by former employees of the Fiesta Bowl or by members of an organization known as Playoff PAC, which he described as an organization with a history of complaining about the Fiesta Bowl and the BCS.³⁷³

c. December 14, 2009 Executive Committee meeting

At the request of Husk, Woods met with the Fiesta Bowl Executive Committee on December 14, 2009.³⁷⁴ Husk also attended this meeting.³⁷⁵ (According to Grant Woods, Husk was at all the Board meetings that Woods attended.)³⁷⁶

³⁶⁹ Schedule A; *see also* R01870.

³⁷⁰ *Id.*

³⁷¹ G. Woods 11-23-10 Int. at 2.

³⁷² *Id.*

³⁷³ *Id.*

³⁷⁴ *Id.*; R02692-93.

³⁷⁵ Husk 11-3-10 Int. at 5; G. Woods 11-23-10 Int. at 2.

³⁷⁶ G. Woods 11-23-10 Int. at 2.

In preparation for the December 14, 2009 meeting with the Executive Committee, Husk said that he and Woods drafted a "Fiesta Bowl Investigatioo Outline" ("Investigation Outline").³⁷⁷ According to Husk, Woods reviewed this outline with the Executive Committee at this first meeting.³⁷⁸ Husk said he is uncertain if the Executive Committee received a copy of this outline.³⁷⁹

Grant Woods said he did not draft the Investigation Outline, and presumes that it must have been Husk who drafted it.³⁸⁰ Woods, in fact, said that Husk "prepared everything. I didn't prepare or generate any paper because they had told me when they hired me that they didn't want me to generate paper and for me to just tell them — give them a final conclusion."³⁸¹

The "Investigation Outline" indicated that "current employees" to be interviewed included Junker, Wisneski, Fields, Keogh, "Chairmen," and "Monica," presumably a reference to Monica Simental.³⁸² Former employees to be interviewed were Schoeffler, Blouin, and "Stan," presumably a reference to Stan Laybourne.³⁸³ The Investigation Outline included a long list of areas of inquiry: "salary, entertaining, lobbying, consulting, policies, political activity, corporate contributions, individual contributions, solicitation process, checks on the same dates, same contributors, repayment for employee contributions, bonuses, bonuses dependent on political

³⁷⁷ Husk 11-3-10 Int. at 5; *see* R00399.

³⁷⁸ Husk 11-3-10 Int. at 5.

³⁷⁹ *Id.*

³⁸⁰ G. Woods 1-12-11 Int. at 2.

³⁸¹ *Id.*

³⁸² R00400.

³⁸³ *Id.*

contributions, [and] circumstances surrounding resignation from Bowl."³⁸⁴

Under "scope of inquiry," the Investigation Outline lists "Employee Compensation Review, Legal Overview and Existence of any Loans to Employees or Directors, Reimbursement of Campaign Contributions made by Staff or Directors, Legislative Familiarization Activities and Trips, Determination of Threshold for Lobbying Activities for Tax Filings [and] Review of Severance Agreements and Background Regarding Departures of Former Senior Staff Members."³⁸⁵

Despite the broad scope of the matters set forth in this "Investigation Outline," those present at the December 14, 2009 meeting recall that the primary scope of the investigation was to be the allegations that the Fiesta Bowl had reimbursed campaign contributions.³⁸⁶ Tilson recalled that there was to be a focus on former employees.³⁸⁷ He remembered that Alan Young ran the meeting and that "we discussed former employees as being the cause."³⁸⁸ Board member Mike Allen recalled that Grant Woods "made a presentation on what was going to happen," and that the

³⁸⁴ *Id.*

³⁸⁵ R00401.

³⁸⁶ Allen 12-8-10 Int. at 2; Ellis 12-18-10 Int. at 3; *see, however*, G. Woods 11-23-10 Int. at 2 in which Woods says that campaign contributions and subsequent reimbursement were "not really" the principal focus of his investigation, but that was the area that needed most of his investigative attention.

³⁸⁷ Tilson 11-22-10 Int. at 4.

³⁸⁸ *Id.* at 5.

focus of the investigation was political contributions and subsequent reimbursement.³⁸⁹

Both Husk and Woods recalled that the Executive Committee asked that the investigation be done "very quickly" and that it needed to be completed before the Fiesta Bowl, which was on January 4, 2010.³⁹⁰ Woods said he did not believe that the Executive Committee tried to influence the result of the investigation.³⁹¹

d. Husk's role in the investigation

According to Grant Woods, Husk told Woods that he would be willing to act as Woods' "liaison" with the Executive Committee because Husk was familiar with the Fiesta Bowl.³⁹² Woods was paid \$55,000 by the Fiesta Bowl for his services; out of this \$55,000 he paid Husk \$20,000.³⁹³ 2010 Board Chair Duane Woods stated that he was unaware of any payment to Husk relating to the investigation.³⁹⁴

As discussed in more detail later in this report, Husk, and his company Husk Partners, were public-affairs consultants or lobbyists for the Fiesta Bowl.³⁹⁵ By December 2009, Husk Partners had charged the Bowl \$661,644 for its services since approximately April 2005, and Husk had charged the Bowl \$30,148 for his legal services from approximately June 2004.³⁹⁶

³⁸⁹ Allen 12-8-10 Int. at 2.

³⁹⁰ Husk 11-3-10 Int. at 5; G. Woods 11-23-10 Int. at 2.

³⁹¹ G. Woods 11-23-10 Int. at 2.

³⁹² *Id.*

³⁹³ *Id.* at 2-3; R00402.

³⁹⁴ D. Woods 12-16-10 Int. at 3.

³⁹⁵ Husk 11-3-10 Int. at 2.

³⁹⁶ Schedule V. In addition, the Fiesta Bowl paid Husk Partners \$407,479 from approximately April 2003 through March 2005; these amounts also

Board members differ in their recollections as to what was to be Husk's role in the investigation. Husk stated that at the December 14 meeting when Woods first met with the Executive Committee, Grant Woods specifically told the committee that he needed Husk to assist him with the investigation and that Woods would personally work out an appropriate fee so there would be no further cost to the committee.³⁹⁷ In contrast, Allen understood that Woods was to be doing all of the investigation himself and that Husk would not be involved.³⁹⁸ Likewise, Tilson understood that no one other than Grant Woods was to be leading the investigation.³⁹⁹ Young said that he saw Husk's role as the person who was contacting Grant Woods, but that he did not believe Husk would be involved in setting up interviews for the investigation or obtaining documents for Grant Woods.⁴⁰⁰ Likewise, Duane Woods stated that he had understood that Husk would be the "facilitator," but that Grant Woods would do the internal investigation.⁴⁰¹

In contrast, from Board member Daniel Lewis' perspective, Husk was working with Woods: "To me it was always a Husk-Woods investigation. They did it together."⁴⁰²

e. What Husk said he said to Fiesta Bowl employees

Husk stated that Grant Woods was "primarily responsible" for the investigation and that Woods would "simply tell me what he

included charges for the work of other public affairs firms, but we do not have these invoices so we are unable to itemize these charges.

³⁹⁷ Husk 11-3-10 Int. at 5.

³⁹⁸ Allen 12-8-11 Int. at 2.

³⁹⁹ Tilson 11-22-10 Int. at 5.

⁴⁰⁰ Young 12-16-10 Int. at 4.

⁴⁰¹ D. Woods 12-16-10 Int. at 3.

⁴⁰² Lewis Int. at 3.

needed and I would gather the documents or information that he requested."⁴⁰³ Husk said that he was present during some of the interviews conducted by Woods but he did not ask any questions or take any notes.⁴⁰⁴ Husk believed that Woods made the list of employees to interview by reviewing the list of contributions, and that Woods also tried to find employees randomly throughout the office "so that every department was talked to."⁴⁰⁵

Husk said he spoke to interviewees prior to the interviews, but that these pre-interview conversations did not last more than five minutes and that he never asked or discussed anything substantive with any Fiesta Bowl employee.⁴⁰⁶ Instead, he said, these conversations were "just the normal spiel about interviews" in which he told employees that they needed to be upfront and to tell the truth.⁴⁰⁷ In both his first and second interviews with counsel to the Special Committee, Husk emphasized that he did not have any conversations alone with any Fiesta Bowl employee about reimbursement of political contributions.⁴⁰⁸

Grant Woods said that there was "absolutely no question" that Husk was not supposed to "prep" the individuals being interviewed: "I made it crystal clear that this was to be their first interview. Gary Hosk's job was to just set up the interviews, not to have any substantive talks."⁴⁰⁹

⁴⁰³ Husk 11-3-10 Int. at 5.

⁴⁰⁴ *Id.*

⁴⁰⁵ *Id.*

⁴⁰⁶ *Id.*

⁴⁰⁷ *Id.*

⁴⁰⁸ *Id.*

⁴⁰⁹ G. Woods 1-12-11 Int. at 4, 5; *see also* G. Woods 2-2-11 at 5-6.

f. What six Fiesta Bowl employees said

Six Fiesta Bowl employees, however, stated that Husk had substantive conversations with them about campaign contributions and the reimbursement of campaign contributions.⁴¹⁰ Four of these individuals—Eyanson, McGlynn, Simental, and Holt—said they told Husk that they were aware that Fiesta Bowl had reimbursed for campaign contributions and, that after telling Husk this information, they were not interviewed by Grant Woods.⁴¹¹

According to email correspondence, on December 14—the same day as the Executive Committee meeting—Husk asked Wisneski to set up meetings that afternoon in a private conference room with six different employees.⁴¹² At 8:35 a.m. on Monday, December 14, 2009, Husk sent the following email to Wisneski:

Nat:

I would like to meet with the following employees from 1:00 to 2 p.m. today. Would you mind making them available to me? I will meet with them individually for about 10 minutes and would need a private office or conference room to do so.

Anthony

Peggy

Monica

Kelly

Mary

Jay

⁴¹⁰ Holt 11-23-10 Int. at 7.

⁴¹¹ Holt 11-23-10 Int. at 7-8.

⁴¹² R00403; R00404; *see also* R02694-95.

Thanks. GH⁴¹³

(The email refers to Aguilar, Eyanson, Simental, Keogh, McGlynn, and Fields.)

Each of the employees listed in this email said they had a brief meeting with Husk.⁴¹⁴ Three of them—Eyanson, Simental, and McGlynn—said that after they told Husk they had been reimbursed for campaign contributions they were not interviewed by Woods, as discussed below.⁴¹⁵

i. Wisneski's allegations regarding her discussions with Husk

Wisneski said she recalled Husk telling her that there was going to be an investigation involving Grant Woods and that she should come to his house to go over what Woods would ask.⁴¹⁶ Wisneski recalled going to Husk's home, that his son was there (in another room), and that the house was decorated for Christmas.⁴¹⁷ She said she sat at Husk's dining room table and they discussed the investigation.⁴¹⁸ Wisneski recalled, "He just said 'we're going to go through a list of questions and I want you to answer them.' We went through them. And I remember. . . . I gave an answer, and he said 'why don't you answer it this way.'"⁴¹⁹

⁴¹³ R00403.

⁴¹⁴ See Aguilar 11-24-10 Int. at 3; Eyanson 11-10-10 Int. at 3; Simental 11-10-10 Int. at 4; Keogh 11-22-10 Int. at 3-4; McGlynn Int. at 7.

⁴¹⁵ See Eyanson 11-10-10 Int. at 3; Simental 11-10-10 Int. at 3-4, 6; McGlynn Int. at 7-8.

⁴¹⁶ Wisneski 2-2-11 Int. at 4.

⁴¹⁷ *Id.*

⁴¹⁸ *Id.*

⁴¹⁹ *Id.* at 15.

According to Wisneski, she became upset and cried during the meeting with Husk:

I didn't want to do this, it was enough and I kind of had a breakdown, and I said, "I just want this to go away." And I was upset. And he said "if you don't do this, it won't go away." "It" meant if I don't go through the questions, and answer the way you're supposed to answer, it won't go away.⁴²⁰

Wisneski said she and Husk discussed getting a list together of people for Woods to interview.⁴²¹ Wisneski recalled that Husk wanted Woods to interview some people who had not been reimbursed for campaign contributions: "He wanted to put in some people who had nothing to do with it."⁴²² Wisneski recalled that, at another time, Junker also participated in discussions about who should be interviewed by Woods.⁴²³ "Erika [Pumphrey] and Patrick [Cannon] were selected. John would ask 'did you ever go to Erika,' and I would say 'no' and so they would get put before Grant," Wisneski said.⁴²⁴

Husk stated that although Wisneski did meet with him at his house one evening in December 2009,⁴²⁵ they did not talk about campaign-contribution reimbursements⁴²⁶ or the Woods investigation.⁴²⁷ Rather, according to Husk, Wisneski asked to meet

⁴²⁰ *Id.*

⁴²¹ *Id.* at 16.

⁴²² *Id.*

⁴²³ *Id.*

⁴²⁴ *Id.*

⁴²⁵ Husk 2-10-11 Int. at 5.

⁴²⁶ *Id.*

⁴²⁷ *Id.*

Husk at his house because she was upset about Junker and how difficult it was to work with him.⁴²⁸ Husk denied that he ever requested that anyone lie to Woods or that he selectively chose people to be interviewed by Grant Woods based upon whether they would deny receiving reimbursements for campaign contributions.⁴²⁹

ii. Keogh's allegations regarding her discussions with Husk

Keogh stated that Wisneski told her that Husk would be coming to talk to her and that Wisneski told her, "[T]his is very important, you need to listen to Gary this is very important."⁴³⁰ Keogh said that when Husk came to the Fiesta Bowl offices, she went to the Fiesta Bowl library and met with Husk alone.⁴³¹ The library is a conference room between Junker's and Wisneski's offices, with a sliding door that opens to Junker's office.⁴³² During the meeting, Keogh said Husk told her that he was giving her a head's up about the investigation so that she would feel more comfortable.⁴³³ Keogh described her conversation with Husk as follows: Husk told her that Woods was going to ask her if she had ever made a contribution; Husk paused; Keogh said "yes"; Husk then asked Keogh if she had ever received reimbursements; Husk raised his hands with his palms upward to indicate that she was to answer; Keogh said "No" in a questioning way to Husk to ascertain if that was the correct answer;

⁴²⁸ *Id.*

⁴²⁹ *Id.*

⁴³⁰ Keogh 11-22-10 Int. at 3.

⁴³¹ *Id.*

⁴³² R01855-56.

⁴³³ Keogh 11-22-10 Int. at 3.

Husk then nodded in a manner Keogh described as "like you know you have to answer this way."⁴³⁴

According to Keogh, her meeting with Husk lasted approximately two minutes.⁴³⁵ In her subsequent interview with Grant Woods (which she estimates lasted approximately five minutes),⁴³⁶ Keogh said that she interpreted Woods' questions to be structured in such a way that she could generally answer them truthfully, although she stated that she did lie to him with respect to one question, namely, whether she believed John Junker ever violated the law.⁴³⁷

Grant Woods disputed Keogh's allegation that the questions were structured so that she could answer truthfully without revealing that she had been reimbursed for campaign contributions.⁴³⁸ Woods said that he directly asked each Fiesta Bowl employee about whether he or she was reimbursed for any campaign contribution.⁴³⁹

Husk denied that he had any substantive conversations regarding the reimbursement of political contributions with anyone, including Keogh, before Grant Woods' interviews of Fiesta Bowl employees.⁴⁴⁰ In a memo to counsel to the Special Committee dated February 25, 2011, Husk's lawyer wrote:

⁴³⁴ *Id.*

⁴³⁵ *Id.*

⁴³⁶ *Id.* at 4.

⁴³⁷ *Id.* at 5.

⁴³⁸ G. Woods 1-12-11 Int. at 6.

⁴³⁹ *Id.* (redline)

⁴⁴⁰ Husk 2-10-11 Int. at 7-8; Husk 11-3-10 Int. at 6.

As you are aware, Kelly Keogh is the administrative assistant to John Junker. She is a close friend with Monica Simental and their work stations are located approximately 20 feet from each other at the Fiesta Bowl offices. This is significant given the similarities of the allegations against my client made by Ms. Keogh and Ms. Simental.

Specifically, it is our understanding that Ms. Keogh has alleged that she too advised Gary that she had been reimbursed for political contributions during her brief pre-interview meeting. According to Ms. Keogh, my client supposedly responded with something of a shrugging "gesture" that somehow forced her subsequently to deny that reimbursement occurred. Like her friend Ms. Simental, Ms. Keogh does not claim that my client asked or told her to lie, only that he communicated that request through a gesture. . . . It is inconceivable that my client communicated that a witness should lie in an important investigation through only a certain "gesture."⁴⁴¹

iii. Eyanson's allegations regarding her discussions with Husk

Eyanson also recalled a substantive meeting with Husk.⁴⁴² Eyanson said that Husk spoke with her before Grant Woods began his investigation.⁴⁴³

In addition to the December 14 email cited above in which Husk asks Wisneski to arrange a meeting between Husk and Eyanson (among others), there is also email correspondence between Wisneski and Eyanson on December 14, 2009, titled "Meeting w/Gary" in which Wisneski asked Eyanson: "Peggy, Are you

⁴⁴¹ R00416-17.

⁴⁴² Eyanson 11-10-10 Int. at 3.

⁴⁴³ *Id.*

available at 1:30 to meet with Gary in the library today for about 10 mins? Nat." ⁴⁴⁴ Eyanson replied "yes" to this email.⁴⁴⁵

Eyanson told counsel to the Special Committee: "Husk told me there was going to be an investigation and I told him everything I knew."⁴⁴⁶ She further stated: "He [Husk] told me there was going to be an investigation because of some allegations and then he asked me if I made any contributions. I told him yes. He then asked me if I got reimbursed and I told him yes."⁴⁴⁷ Eyanson stated that she got irritated with Husk because she believed he knew the answers already and told him, "You know what I know – I'm not going to lie under oath."⁴⁴⁸ In response to this statement, she reported that Husk told her, "We are going to steer the investigation another way and we are not going to let them talk to you."⁴⁴⁹ Eyanson estimated that her entire conversation with Husk lasted approximately 10 minutes or less, and said that it ended abruptly.⁴⁵⁰

Eyanson said she was concerned and frustrated with respect to this brief conversation with Husk and immediately went next door to discuss the matter with Wisneski.⁴⁵¹ Eyanson said she told Wisneski that she had a "weird" conversation with Husk, who had

⁴⁴⁴ R00404.

⁴⁴⁵ *Id.*

⁴⁴⁶ Eyanson 11-10-10 Int. at 3.

⁴⁴⁷ *Id.*

⁴⁴⁸ *Id.* Eyanson later remembered that she may have used the phrase "lie under oath" when recounting the meeting with Husk to McGlynn instead of with Husk. *See id.* at 5.

⁴⁴⁹ *Id.* at 3.

⁴⁵⁰ *Id.*

⁴⁵¹ *Id.* at 3-4.

told her he would steer the conversation in another way.⁴⁵² Eyanson said Wisneski told her, "That's between you and him."⁴⁵³

Wisneski recalled that Eyanson was upset after what Wisneski called her "pre-interview" with Husk.⁴⁵⁴ Wisneski said Eyanson told her she was "struggling with it," which Wisneski understood to mean that Eyanson was "having a hard time answering the way she felt Gary wanted her to answer."⁴⁵⁵

Husk denied that he had any conversation with Eyanson regarding the reimbursement of political contributions.⁴⁵⁶ With respect to Eyanson's allegations, Husk's lawyer wrote to counsel to the Special Committee:

My client has no recollection of meeting with Ms. Eyanson to discuss the subject of reimbursement of political contributions. Given the importance, he would have certainly recalled any employee who would have confirmed reimbursements and he does not. In addition, it is illogical to suggest that my client, if intending to engage in a "cover-up," would openly disclose his intentions to Ms. Eyanson. Gary did not know Ms. Eyanson well enough to take her into his confidence about anything, let alone in a matter that he is alleged to have engaged in wrongdoing.⁴⁵⁷

⁴⁵² *Id.* at 4.

⁴⁵³ *Id.*

⁴⁵⁴ Wisneski 2-2-11 Int. at 16.

⁴⁵⁵ *Id.*

⁴⁵⁶ Husk 2-10-11 Int. at 6.

⁴⁵⁷ R00418.

Although Eyanson had given a number of campaign contributions,⁴⁵⁸ she was not interviewed by Grant Woods.⁴⁵⁹

iv. McGlynn's allegations regarding her discussions with Husk

Mary McGlynn, the Director of Ticket Operations for the Fiesta Bowl Center & Museum, stated she also met with Husk.⁴⁶⁰ She recalled that she was contacted by Wisneski, who asked her to come to her office.⁴⁶¹ McGlynn said they discussed other matters until Husk arrived.⁴⁶² Husk and McGlynn then went into the library alone, where, according to McGlynn, Husk asked her if she had been reimbursed for any political contributions.⁴⁶³ She said she told him "yes."⁴⁶⁴ McGlynn said Husk then asked if it was for the straight amount, and she told him that she was reimbursed for the contribution amount plus taxes, and that the reimbursement was treated as a bonus.⁴⁶⁵ McGlynn said "she could see the wheels turning" in Husk's head.⁴⁶⁶ According to McGlynn, Husk took notes, and when they were done, he told her, "I don't think you'll be called on to talk - I think you're done."⁴⁶⁷ McGlynn said she took this to

⁴⁵⁸ See Schedule A.

⁴⁵⁹ Eyanson 11-10-10 Int. at 6.

⁴⁶⁰ McGlynn Int. at 7.

⁴⁶¹ *Id.*

⁴⁶² *Id.*

⁴⁶³ *Id.*

⁴⁶⁴ *Id.*

⁴⁶⁵ *Id.*

⁴⁶⁶ *Id.*

⁴⁶⁷ *Id.* at 7-8.

mean that the answers she gave were not what Husk wanted anyone to tell Grant Woods.⁴⁶⁸

Like Eyanson, McGlynn had given a number of campaign contributions in recent years.⁴⁶⁹ McGlynn said she was never interviewed by Woods.⁴⁷⁰ She also stated that Husk did not speak to her again.⁴⁷¹

Husk denied that he ever spoke with anyone, including McGlynn, about the reimbursement of political contributions.⁴⁷² With respect to McGlynn's allegations, Husk's lawyer wrote:

My client has no recollection of meeting with Ms. McGlynn to discuss anything related to the reimbursement of political contributions. Given the importance of this issue, he would have certainly recalled any employee who would have confirmed this action and he does not. In addition, it is illogical to suggest that my client was in a position to provide any assurance that this matter was "done" as far as she was concerned.⁴⁷³

v. Simental's allegations regarding her discussions with Husk

Monica Simental, Wisneski's executive assistant, stated that Husk did not set up a formal interview with her, but rather Husk was in and out of Wisneski's office, and at one point said to her, "You got a moment?"⁴⁷⁴ Simental said she then went to the library

⁴⁶⁸ *Id.* at 8.

⁴⁶⁹ *See* Schedule A.

⁴⁷⁰ McGlynn Int. at 8.

⁴⁷¹ *Id.*

⁴⁷² Husk 2-10 -11 Int. at 10.

⁴⁷³ R00419.

⁴⁷⁴ Simental 11-10-10 Int. at 3-4.

with Husk, alone.⁴⁷⁵ Simental said Husk asked her if there was a policy on reimbursements and if she had ever been reimbursed by the Fiesta Bowl for political contributions.⁴⁷⁶ "I told him yes and he paused — so then I said no, like maybe I should have said no." ⁴⁷⁷ Simental noted that Husk had given her a look, "like I had said the wrong thing."⁴⁷⁸ She further stated, "I felt he already knew what was going on and thought — why is he asking me this. It was his look and the fact that he paused when I gave him my response."⁴⁷⁹ Simental stated that the conversation then turned to other matters and lasted about five minutes: "I got the feeling that he didn't like my answers or how I was answering so we finished."⁴⁸⁰

Simental knew Husk outside the context of her work at the Bowl because Husk had represented her on a *pro bono* basis on a legal matter that was personally very significant to Simental.⁴⁸¹ According to Simental, when the murderer of a member of Simental's family had been eligible for early release, Husk twice helped her family write letters in opposition, wrote one himself, and delivered the letters to the Governor's office.⁴⁸²

Husk denied having any discussion with Simental regarding the reimbursement of political contributions.⁴⁸³ His lawyer wrote:

⁴⁷⁵ *Id.* at 4.

⁴⁷⁶ *Id.*

⁴⁷⁷ *Id.*

⁴⁷⁸ *Id.*

⁴⁷⁹ *Id.*

⁴⁸⁰ *Id.*

⁴⁸¹ Simental 2-15-11 Int. at 7; R02696-98.

⁴⁸² Simental 2-15-11 Int. at 7-8.

⁴⁸³ Husk 2-10-11 Int. at 9.

According to Ms. Simental, my client supposedly responded by "giving her a look" that somehow forced her to deny that the reimbursement occurred. It is my understanding that Ms. Simental does not claim that my client specifically asked or told her to lie, only that he gave her a "look" or "stare." Ms. Simental apparently admitted that she proceeded to lie during her interview with Grant Woods when she denied having been reimbursed or having any knowledge of reimbursements for political contributions.

Simply stated, Ms. Simental's allegation is incredible on its face. It is inconceivable that my client, or anyone else, could communicate that a witness should lie in an important investigation by only through a certain "look" or a "stare". Even Ms. Simental agrees that there was no verbal communication on this issue between her and my client. Hence, assuming her statement is credible, her allegations are based entirely on her subjective interpretation of my client's looks. My client has unequivocally stated that Ms. Simental did not state or imply by looks or otherwise that she had been reimbursed. My client also unequivocally stated that he did not respond to Ms. Simental with any type of disapproving expression.⁴⁸⁴

Husk's attorney appears to be under the misimpression that Simental "proceeded to lie during her interview with Grant Woods."⁴⁸⁵ In fact, Simental was not interviewed by Grant Woods, an omission she reported surprised her.⁴⁸⁶ Like Eyanson and

⁴⁸⁴ R00415-16.

⁴⁸⁵ *Id.*

⁴⁸⁶ Simental 11-10-10 Int. at 6. *But see* redline comments: "I don't recall this statement."

McGlynn, Simental had also given a number of campaign contributions over the years.⁴⁸⁷

Simental said she and Eyanson later spoke about the fact that Woods did not interview either of them.⁴⁸⁸ Simental says she told Eyanson that she had informed Husk that she had been reimbursed for campaign contributions.⁴⁸⁹ Eyanson remembered this conversation with Simental as well.⁴⁹⁰

vi. Holt's allegations regarding her discussions with Husk

Angela Holt, the Fiesta Bowl Controller, stated that she was interviewed by Husk in late 2009.⁴⁹¹ Holt said she had never been asked to give a campaign contribution, so had personally never given one and therefore had never been reimbursed by the Fiesta Bowl.⁴⁹² Holt reported that Eyanson, however, had spoken with her and had told her that other employees, including Eyanson, had been reimbursed by the Fiesta Bowl for campaign contributions.⁴⁹³

According to Holt, in her interview with Husk, she told him that Eyanson had told her that Eyanson had been solicited for campaign contributions and had been reimbursed.⁴⁹⁴ Although Holt felt badly about violating Eyanson's trust, Holt said she thought that it was important to tell Husk the truth.⁴⁹⁵ Holt recalled that, in

⁴⁸⁷ Schedule A.

⁴⁸⁸ Simental 11-10-10 Int. at 6.

⁴⁸⁹ *Id.*

⁴⁹⁰ Eyanson 11-10-10 Int. at 5.

⁴⁹¹ Holt 11-23-10 Int. at 7.

⁴⁹² *Id.*

⁴⁹³ *Id.* at 7-8.

⁴⁹⁴ *Id.*

⁴⁹⁵ *Id.* at 8.

response to her statement about Eyanson's alleged reimbursements, Husk said, "That's fine."⁴⁹⁶ She said that the conversation lasted no more than 10 or 15 minutes.⁴⁹⁷

Holt stated that she was worried that she had betrayed Eyanson's confidences about the campaign-contribution reimbursements to Husk so she went to Wisneski about her concern.⁴⁹⁸ According to Holt, she told Wisneski that Eyanson had said she had been reimbursed for campaign contributions.⁴⁹⁹ Holt said she also told Wisneski about her interview with Husk, and that she had informed Husk about her conversation with Eyanson.⁵⁰⁰ Holt stated that Wisneski said she was "very disappointed" that Holt would talk about the reimbursement of campaign contributions with Husk.⁵⁰¹

According to Wisneski, after Husk met with Holt, he came to Wisneski and told her that Holt was told by Eyanson, "Oh yeah, we do contributions and get reimbursed."⁵⁰² Wisneski recalled, "And I remember saying 'what, why would Peggy say that to her?'"⁵⁰³ Wisneski said she was surprised Eyanson would talk about the reimbursements with Holt, who was brand-new to their business, "because we just didn't talk about it."⁵⁰⁴

⁴⁹⁶ *Id.* at 7.

⁴⁹⁷ *Id.*

⁴⁹⁸ *Id.* at 8.

⁴⁹⁹ *Id.*

⁵⁰⁰ *Id.*

⁵⁰¹ *Id.*

⁵⁰² Wisneski 2-2-11 at 15.

⁵⁰³ *Id.*

⁵⁰⁴ *Id.* at 16.

Wisneski said that she discussed Holt's conversation with Husk, and that Husk said he could not use Holt in the interviews with Woods.⁵⁰⁵ Like Eyanson, McGlynn, and Simental, Holt was not interviewed by Grant Woods.⁵⁰⁶

Again, Husk specifically denied that he had any substantive communications about the reimbursement of political contributions with Holt.⁵⁰⁷ In a March 4, 2011 email to counsel to the Special Committee, Husk wrote:

Although I worked regularly with Angela Holt in addressing the tax audit matters for the Fiesta Bowl, I do not recall ever having a conversation with her regarding political contributions and/or reimbursements. In particular, I was never told by Angela that Peggy had admitted that she was reimbursed for political contributions. Angela was a relatively new employee at that time and had limited knowledge of the operations of the organization. Thus, I had no basis for discussing those issues with her.⁵⁰⁸

As noted above, Husk rejected each of the allegations of Fiesta Bowl employees who state that Husk pre-interviewed them.⁵⁰⁹ Husk stated that these employees are either lying or misremembering, and further said that they may be attempting to deflect blame for their own illegal conduct by pointing their fingers at him.⁵¹⁰ Husk's attorney further pointed out that his client has provided the names of character witnesses who would attest to Husk's excellent

⁵⁰⁵ *Id.* at 15.

⁵⁰⁶ Holt 11-23-10 Int. at 8.

⁵⁰⁷ R00467.

⁵⁰⁸ *Id.*

⁵⁰⁹ Husk 2-10-11 Int. at 11.

⁵¹⁰ *Id.*

reputation for honesty and integrity, and that it is not logical to presume that he would endanger his reputation for the Fiesta Bowl, which provided only a small part of his firm's business:

Finally, the Fiesta Bowl constituted approximately 6% of the annual revenues for Husk Partners and approximately 10% of the revenues for Gary's legal practice in 2010. This latter amount was unusually high in 2010 due to the legal services provided primarily on the Fiesta Bowl audit issues. In most years, he provided no legal services to the Fiesta Bowl. These percentages are significant when one considers whether my client would reasonably risk his professional reputation for the relatively small portion of his business that was directly attributed to the Fiesta Bowl.⁵¹¹

g. Grant Woods' interviews

i. Interviews of current employees

According to Grant Woods, he and Husk discussed who should be interviewed for the investigation, and Husk was responsible for choosing "random" current Fiesta Bowl employees to be interviewed.⁵¹² Woods stated that he planned to interview the "top level" people, and then "some of the workers."⁵¹³ He recalled, "I asked Gary to pick the people out. We didn't have time to do everyone."⁵¹⁴

Husk disagreed that he selected the people for Woods to interview.⁵¹⁵ Husk stated that Woods himself made the selections and that Husk's role was to collect them from their offices and bring

⁵¹¹ R00408.

⁵¹² G. Woods 11-23-10 Int. at 3.

⁵¹³ G. Woods 1-12-11 Int. at 4.

⁵¹⁴ *Id.*

⁵¹⁵ Husk 11-3-10 Int. at 6.

them to be interviewed by Woods.⁵¹⁶ Woods has stated that, having no prior contact with the Fiesta Bowl, he did not know anyone there and would not have known whom to interview.⁵¹⁷

All agreed that the interviews were held at the Fiesta Bowl offices in a conference room (also called the library) that has a sliding door that connects to Junker's office.⁵¹⁸

Keogh reported that during her interview with Grant Woods, Husk was not present.⁵¹⁹ Other employees did not specify who led the interview, but talked about both Husk and Woods.⁵²⁰ Each interview lasted no more than one hour.⁵²¹ Woods said that most of them were in fact "quite brief."⁵²² According to Woods, it was Husk's duty to take notes and Woods reports that he did not take many himself.⁵²³ Husk, however, stated that he did not ask questions or take notes; rather, Husk stated that it was Woods who took the notes and asked the questions.⁵²⁴

Woods interviewed seven current employees: Agullar, Pumphrey, Fields, Junker, Keogh, Wisneski, and Cannon.⁵²⁵ Husk said that Woods followed a "script" in the interviews, as set forth in

⁵¹⁶ *Id.*

⁵¹⁷ G. Woods 1-12-11 Int. at 4-5.

⁵¹⁸ G. Woods 11-23-10 Int. at 3; R01855-56.

⁵¹⁹ Keogh 1-13-11 Int. at 11 (redline).

⁵²⁰ *See, e.g.*, Fields 11-24-10 Int. at 9; Aguilar 11-24-10 Int. at 3; Pumphrey Int. at 8; Cannon Int. at 2.

⁵²¹ G. Woods 11-23-10 Int. at 3.

⁵²² *Id.*

⁵²³ *Id.*

⁵²⁴ Husk 11-3-10 Int. at 6.

⁵²⁵ R00427-53.

a typewritten outline titled "Employee Interviews."⁵²⁶ Woods took notes on these outlines.⁵²⁷ According to Husk, "Grant asked the questions and I would follow the outline and if he forgot to ask anything or missed something I would point it out to him."⁵²⁸

The interview outline contains a series of questions in three areas: "political contributions," "bonus program," and "John Junker."⁵²⁹ There are sparse notes on the outlines retrieved from Grant Woods' files for each of the seven current employees interviewed.⁵³⁰ The list of questions for political contributions contained the following:

- Does the Fiesta Bowl have a policy to reimburse employees for political contributions?
- Do you know whether Fiesta Bowl employees have ever made political contributions?
- Are political contributions encouraged by the Fiesta Bowl management?
- Are you aware of the method for soliciting/collecting/delivering political contributions?
- Have you made political contributions to candidates?
 - Solicited by whom?

⁵²⁶ Husk 11-3-10 Int. at 7; *see also* R00454-59.

⁵²⁷ R00427-53.

⁵²⁸ Husk 11-3-10 Int. at 7.

⁵²⁹ R00427-53.

⁵³⁰ *See id.*

- Has John Junker ever forced you to make such contributions?
- Selection of candidates?
- Have you ever submitted a request for reimbursement for political contributions?
- Have you ever directly reimbursed (sic) for those contributions?
- Are you aware of allegations that John Junker has forced employees to make political contributions?
 - Are you aware of who might make such allegations?
 - Who?
 - Are you aware of the motives for such allegations?
 - Have you ever witnessed John Junker force an employee to make a political contribution?
- Are you aware of allegations that the Fiesta Bowl has reimbursed employees for political contributions?
 - Are you aware of who might make such allegations?
 - Who?
 - Are you aware of the motives for such allegations?

- o Did anyone in management ever tell you that you would be reimbursed for political contributions?⁵³¹

Woods stated that this list was just a guide and said he specifically recalls that he did not simply go through the form questionnaire question by question.⁵³² Woods also stated that he is certain that he asked each employee whether he or she was reimbursed for any campaign contributions.⁵³³

Woods said all of the current Fiesta Bowl employees whom he interviewed told him they had not been reimbursed by the Fiesta Bowl for campaign contributions: "None of the employees said there was any reimbursement, so on that it was unanimous."⁵³⁴ Woods said he did determine that some employees had been solicited for political contributions, but that such solicitations were "very low-key."⁵³⁵ With respect to Junker and Wisneski, Woods said they told him that the Fiesta Bowl had not reimbursed for campaign contributions.⁵³⁶ Wisneski, he said, "even told me that she had examined all the records."⁵³⁷

All of the employees interviewed by Woods agreed to talk with counsel to the Special Committee and all reported that their interviews with Woods were brief.⁵³⁸ As noted above, in her interview with Woods, Keogh said she believed the questions to her

⁵³¹ *Id.*

⁵³² G. Woods 1-21-11 Int. at 6.

⁵³³ *Id.* (redline)

⁵³⁴ G. Woods 11-23-10 Int. at 3.

⁵³⁵ *Id.*

⁵³⁶ G. Woods 1-12-11 Int. at 7.

⁵³⁷ *Id.*

⁵³⁸ Aguilar 11-24-10 Int. at 4.

were structured in such a way as to allow her to be generally truthful.⁵³⁹ For example, Keogh stated that Woods had asked if Junker had ever asked her to make contributions and if Junker ever reimbursed her for the contributions, but never asked if anyone else had asked her to make contributions or reimbursed her.⁵⁴⁰ Keogh said she believed the way that Woods' questions were framed was "deliberate."⁵⁴¹ In recounting her experience with Woods, Keogh stated that she did lie to Grant Woods when discussing allegations about Junker's alleged illegal activities.⁵⁴² She explained, "If he had said—I don't care what you've said to Gary or anybody, I just want you to tell me the truth—I probably would have told the truth."⁵⁴³

Aguilar recalled that prior to his interview with Woods, he had talked with Husk on the phone.⁵⁴⁴ Aguilar said, "He [Husk] was kind of, in lack of a better term, 'prepping me' for the interview."⁵⁴⁵ Aguilar said that the telephone conversation with Husk was "very casual and he basically asked me a few things about this and that and he told me to make sure I mentioned that I received bonuses from time to time. He asked me if I was ever forced to make campaign contributions and that Grant would ask me about bonuses and a few things and it will be very casual."⁵⁴⁶

Aguilar said that his subsequent interview with Woods and Husk was very brief, lasting approximately 10 to 15 minutes, even

⁵³⁹ Keogh 11-22-10 Int. at 5.

⁵⁴⁰ *Id.*

⁵⁴¹ *Id.*

⁵⁴² *Id.*

⁵⁴³ *Id.*

⁵⁴⁴ Aguilar 2-1-11 Int. at 13.

⁵⁴⁵ *Id.*

⁵⁴⁶ *Id.*

with "hellos" and introductions.⁵⁴⁷ According to Aguilar, Woods asked him only a few questions — about campaign contributions, about trips, and about what he thought of Junker.⁵⁴⁸ Aguilar said he was not asked about whether the Fiesta Bowl had reimbursed employees for campaign contributions.⁵⁴⁹

In response to allegations by Aguilar and Keogh that Woods skipped the most pertinent question on the form (whether anyone in management told the employee he or she would be reimbursed), Woods shook his head and said, "I can't imagine skipping that one. I mean, it's the main topic."⁵⁵⁰

Fields reported that his interview with Woods and Husk was also brief, lasting about 5 to 10 minutes.⁵⁵¹ He said he was asked if he had been compensated for making a campaign contribution and he said, "No."⁵⁵² Fields said he was not asked about any of the contributions he did make, or whether Wisneski had asked him to make contributions.⁵⁵³

Cannon, who said that he has never made any political contributions (and thus was never reimbursed by the Fiesta Bowl) recalled that in his interview with Husk and Woods, he was asked if he had any issues with Junker and was asked to assess Junker's character.⁵⁵⁴ Cannon recalled that he told Husk and Woods that he had the "utmost respect for Junker," that people in the football

⁵⁴⁷ Aguilar 11-24-10 Int. at 4.

⁵⁴⁸ *Id.*

⁵⁴⁹ *Id.* at 6.

⁵⁵⁰ G. Woods 1-21-10 Int. at 6.

⁵⁵¹ Fields 11-24-10 Int. at 9.

⁵⁵² *Id.*

⁵⁵³ *Id.*

⁵⁵⁴ Cannon Int. at 2.

industry had the utmost respect for Junker, and that he was "always amazed each and every day" at Junker.⁵⁵⁵

Pumphrey described her meeting with Woods and Husk as impromptu and brief.⁵⁵⁶ Pumphrey recalls that Husk came to her office and asked if she had a few minutes to talk.⁵⁵⁷ He took her to the Fiesta Bowl library where she met Grant Woods.⁵⁵⁸ She told Woods that she has never been asked to contribute by anyone at the Fiesta Bowl and thus has never been reimbursed for a political donation.⁵⁵⁹

As noted above, Wisneski stated that Husk chose Pumphrey and Cannon to be interviewed by Woods because they had never been reimbursed for campaign contributions.⁵⁶⁰ She stated that Junker was in the room during this discussion.⁵⁶¹

ii. Interviews of former employees

In addition to speaking with seven current employees, Grant Woods contacted, or attempted to contact, five former Fiesta Bowl employees: Doug Blouin, Shawn Schoeffler, Marc Schulman, Nat Stout, and Stan Laybourne.⁵⁶² Husk did not assist Woods in conducting these interviews, or attempted interviews.⁵⁶³

⁵⁵⁵ *Id.*

⁵⁵⁶ Pumphrey Int. at 8, 10.

⁵⁵⁷ *Id.* at 8.

⁵⁵⁸ *Id.* at 9.

⁵⁵⁹ *Id.*

⁵⁶⁰ Wisneski 2-2-11 at 16.

⁵⁶¹ *Id.*

⁵⁶² G. Woods 11-23-10 Int. at 6; R00460.

⁵⁶³ Husk 1-12-11 Int. at 3.

Woods said that neither Stout's attorney (Stan Feldman) nor Schulman returned his calls.⁵⁶¹

Woods said he did speak with Laybourne, whom Woods found to be a very credible "multi-faceted critic of Mr. Junker and Ms. Wisneski."⁵⁶⁵ According to Tilson, Laybourne was terminated by Tilson, who was the Immediate Past Chair at the time of Laybourne's departure (Young was Chair), and Junker.⁵⁶⁶ At the time of his departure, Laybourne sent a long letter detailing 29 concerns about the management of the Fiesta Bowl.⁵⁶⁷ Tilson suggested that Laybourne was also upset that Wisneski had been promoted ahead of him.⁵⁶⁸ Woods recalled that Laybourne was "adamant" that the allegations regarding reimbursement for campaign contributions were not true.⁵⁶⁹ (Laybourne repeated this denial in a letter mailed to the Special Committee, as discussed above.)⁵⁷⁰ Woods said Laybourne told him that Laybourne knew that reimbursement for political contributions was illegal and that he would have resigned had the allegations been true.⁵⁷¹

Woods said that former employee Blouin told Woods that the Fiesta Bowl had reimbursed him for campaign contributions.⁵⁷²

⁵⁶⁴ G. Woods 11-23-10 Int. at 6.

⁵⁶⁵ *Id.*

⁵⁶⁶ Tilson 11-22-10 Int. at 7-8.

⁵⁶⁷ R01189-91.

⁵⁶⁸ Tilson 2-15-11 Int. at 2-3.

⁵⁶⁹ G. Woods 11-23-10 Int. at 6.

⁵⁷⁰ R00925.

⁵⁷¹ G. Woods 11-23-10 Int. at 6. Laybourne has refused requests to speak with counsel to the Special Committee. R00925-30.

⁵⁷² G. Woods 11-23-10 Int. at 6.

Woods stated that Blouin was very clear about this.⁵⁷³ Husk recalled that "Blouin said he got it and that everyone did."⁵⁷⁴ Blouin has refused to be interviewed by the Special Committee's counsel.⁵⁷⁵

Finally, Woods spoke to Schoeffler, who said he was concerned that his cooperation would affect his severance package with the Fiesta Bowl.⁵⁷⁶ Schoeffler reported that Woods called him on the morning of December 21, 2009.⁵⁷⁷ Schoeffler said he told Woods that he had a separation agreement with the Bowl and that he did not feel comfortable talking with Woods unless he had a letter giving him permission to talk with Woods.⁵⁷⁸ Schoeffler's separation agreement included the following non-disparagement clause:

Mr. Schoeffler and the Company hereby mutually agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding each other's efforts, character or reputation.⁵⁷⁹

Schoeffler said, "I said [to Woods] before we do anything I want something in writing and he said, 'all right, it probably won't get to that point but if I need anything else I'll contact you again.'"⁵⁸⁰

⁵⁷³ *Id.*

⁵⁷⁴ Husk 11-3-10 Int. at 8. Like Laybourne, Blouin has also refused requests to speak with counsel to the Special Committee. R01973-76.

⁵⁷⁵ R01973-76

⁵⁷⁶ G. Woods 11-23-10 Int. at 6.

⁵⁷⁷ Schoeffler 11-18-10 Int. at 3. The Fiesta Bowl's non-response to Schoeffler's professed concerns in December 2009 is addressed at Section III.C.i.

⁵⁷⁸ *Id.*

⁵⁷⁹ R00464.

⁵⁸⁰ Schoeffler 11-18-10 Int. at 3.

As is discussed below, Schoeffler was not provided a letter to this effect until the Special Committee's counsel requested the same.⁵⁸¹

It appears that Grant Woods completed all of his interviews in the week between the December 14, 2009 meeting with the Executive Committee, and the December 22, 2009 Executive Committee Meeting.⁵⁸²

h. Grant Woods' oral report at the December 22, 2009 Executive Committee meeting

On December 22, 2009, Woods and Husk met with the Executive Committee to give them an oral report of the results of the investigation.⁵⁸³ Husk recalled that he was late for the meeting because he was returning from San Diego.⁵⁸⁴ Board members' recollections of this meeting are divergent and apparently confused by a later, more formal, presentation in January 2010 (at which Woods was *not* present).⁵⁸⁵ Nevertheless, it appears that it was at this meeting on December 22, 2009, that Woods first stated that he had found "no credible evidence" supporting the allegation that the Fiesta Bowl had reimbursed for campaign contributions.⁵⁸⁶

Woods stated he used the term "credible" to specifically note that there was some evidence that the Fiesta Bowl had reimbursed employees for campaign contributions, but that he considered the evidence not to be credible because the source was a single former

⁵⁸¹ See *infra*.

⁵⁸² See Husk 11-3-10 Int. at 5, 9; G. Woods 11-23-10 at 2, 4.

⁵⁸³ G. Woods 11-23-10 Int. at 4.

⁵⁸⁴ Husk 11-3-10 Int. at 9.

⁵⁸⁵ Young 12-16-10 Int. at 4; Vinciguerra Int. at 4-5; Allen 12-8-10 Int. at 1-2; Ellis 12-8-10 Int. at 3; Lewis Int. at 2-3; Tilson 11-22-10 Int. at 3-4.

⁵⁸⁶ G. Woods 2-2-11 Int. at 2.

employee, Blouin, who Woods determined was disgruntled.⁵⁸⁷ In an interview with the Special Committee's counsel, Woods stated that he could not recall specifically why he believed Blouin was disgruntled, but that "it had been made clear to me that he had left under a cloud of some sort."⁵⁸⁸

Woods recalled that the Executive Committee wanted to go public with a statement and that Woods had suggested that they say "we have no evidence at this time."⁵⁸⁹ Woods said Husk told him that the Committee did not like that phrase, so Woods came up with the statement of "no credible evidence."⁵⁹⁰ Woods said he made it clear to the Executive Committee that there was more investigation to be done.⁵⁹¹

Although Board member Lewis could not remember the specific date, he distinctly recalls the phrase "no credible evidence" was used "at the Grant Woods presentation."⁵⁹² Lewis recalled, "You know I don't know why he used those words, but I do know that he used the word *credible*, in fact he emphasized credible when he said it, that there was no 'credible' evidence."⁵⁹³

i. The draft letter to Schoeffler

Executive Committee member and Fiesta Bowl General Counsel Craig Williams of Snell & Wilmer recalled that at that second Board meeting in December, when Grant Woods discussed

⁵⁸⁷ *Id.* at 4.

⁵⁸⁸ *Id.*

⁵⁸⁹ G. Woods 3-3-11 Int. at 2.

⁵⁹⁰ *Id.*

⁵⁹¹ *Id.*

⁵⁹² Lewis Int. at 3.

⁵⁹³ *Id.* (emphasis added).

his findings, he [Woods] brought up the fact that he tried to talk with Schoeffler, but that Schoeffler stated he was worried about violating his separation agreement with the Fiesta Bowl.⁵⁹⁴

Williams said that the Executive Committee discussed this and was in favor of sending a letter to Schoeffler so that he could cooperate with Woods.⁵⁹⁵ Williams recalled:

The Executive Committee was in favor of giving him the letter. There was no discussion on the other side. Did it stall out and didn't get done? Sounds like it. Why? I don't know, but it wasn't any direction from the Executive Committee not to do it. It was "whatever we gotta do, we do." Maybe Grant or Gary decided not to put a point on it and get the letter, or if they had other things to do, I don't know.⁵⁹⁶

Williams' law partner, William Hayden (who practices in the area of employment law), recalled that the subject of Schoeffler requesting a letter was raised with him.⁵⁹⁷ Hayden recalled that, in his view, the request was reasonable and that he advised that Schoeffler should get a letter assuring him that an interview with Grant Woods did not violate the severance agreement.⁵⁹⁸ Hayden did not believe that Williams asked for his views on this, but rather thought that the request came from Wisneski or Eyanson (the two individuals with whom he had the most contact at the Fiesta Bowl).⁵⁹⁹ Hayden stated that no one asked him to draft the letter, and

⁵⁹⁴ Williams 12-8-10 Int. at 6; Williams 1-20-11 Int. at 2.

⁵⁹⁵ Williams 12-8-10 Int. at 6.

⁵⁹⁶ *Id.*

⁵⁹⁷ Hayden Int. at 5.

⁵⁹⁸ *Id.*

⁵⁹⁹ *Id.*

he had no knowledge as to whether this letter was ever prepared or sent.⁶⁰⁰

After Hayden's and Williams' interviews, counsel to the Special Committee located email correspondence between Wisneski and Hayden on December 23, 2009, in which Hayden stated:

Craig Williams asked me to draft the attached confirmation letter for Shawn. I am going to try to reach you to discuss the advantages and disadvantages of including the second sentence. Basically, we think you can issue it either with, or without, the second sentence.⁶⁰¹

The draft letter that Hayden prepared is attached to his email. It reads:

Shawn Schoeffler:

This will confirm that your speaking with Grant Woods and answering any questions he may have in connection with his current independent investigation will not be considered a breach of the terms of your Separation Agreement dated September 22, 2009. However, with the exception of speaking with Mr. Woods, all of the terms and conditions contained in your Separation Agreement remain in full force and effect and, in particular, I remind you of your contractual commitment to refrain from making disparaging remarks regarding your former employer.

Natalie Wisneski⁶⁰²

⁶⁰⁰ *Id.*

⁶⁰¹ R00469.

⁶⁰² R00470. In addition, Eyanson emailed Wisneski on December 23, 2009, and told Wisneski that Bill Hayden was looking for her and wanted to talk to Wisneski about the email he had just sent her. R00471.

This letter was never sent, according to Wisneski.⁶⁰³ She stated Husk had come to her and said that she should ask Hayden for a draft letter and that they would then hold it until they made a decision whether to send it.⁶⁰⁴ Wisneski recalled:

When I got the letter back, I printed it out. Gary came into my office and said 'what do you think we should do, should we send it?' I said 'if we let him out of his separation agreement, he's going to talk.' We both knew that Shawn had been reimbursed for campaign contributions and that it was going to go against the investigation Gary was running. Gary had a bigger picture answer, I believe he said to me, if we let him out of the separation agreement, we have to let everyone out of their agreements. Gary made the decision not to send that letter.⁶⁰⁵

Husk denied Wisneski's allegations that he made the decision not to send Schoeffler the letter.⁶⁰⁶ In a March 4, 2011 email to counsel to the Special Committee, Husk wrote:

I was not the person who made the decision and/or directed that the Fiesta Bowl not provide Shawn Schoeffler with a letter regarding his severance agreement. All issues regarding the severance agreements of former employees would have been referred to the attorneys from Snell & Wilmer who prepared the agreements. As indicated by various documents previously disclosed, that was the same process followed with Doug Blouin's severance agreement several months later. I have no expertise in the area of

⁶⁰³ Wisneski 2-10-11 Int. at 18; Schoeffler was not cooperating with the investigation at the time this letter was discovered and thus it could not be determined if he received it.

⁶⁰⁴ *Id.*

⁶⁰⁵ *Id.*

⁶⁰⁶ R00467.

employment law and would not have been in a position to independently make such a decision or issue such a directive.⁶⁰⁷

This was not the first draft letter to Schoeffler. A letter dated November 25, 2009 from an attorney at Spell & Wilmer to Schoeffler (but not on letterhead and unsigned) was found among the Fiesta Bowl's materials.⁶⁰⁸ The letter restated the non-disparagement portion of Schoeffler's separation agreement and stated, among other things:

The Company is in possession of information, including witness statements that strongly suggest you have recently breached your contractual commitments under the terms of your Separation Agreement, in particular, your commitment to refrain from making derogatory statements regarding your former Employer. By doing so, you have jeopardized your entitlement to continued severance payments from your former Employer.⁶⁰⁹

The letter noted that "this correspondence [is] your first, and final warning."⁶¹⁰ Wisneski stated that the information that gave rise to the letter was employees had heard Schoeffler — who had departed just two months earlier⁶¹¹ — said negative things about Junker while at the Coach House, a tavern near the Fiesta Bowl offices.⁶¹² Wisneski stated she did not recall much about the letter's provenance but stated that she did not believe it was related to potentially contemporaneous revelations that Craig Harris was writing an

⁶⁰⁷ *Id.*

⁶⁰⁸ R01192-93.

⁶⁰⁹ *Id.*

⁶¹⁰ *Id.*

⁶¹¹ R00464.

⁶¹² Wisneski 2-2-11 Int. at 14; Aguilar 11-24-10 Int. at 6.

article about the Fiesta Bowl, and stated that she did not believe the letter was sent.⁶¹³

j. Woods' and Husk's review of documents and collection of data

At least certain Fiesta Bowl Board members recall that at the December 22, 2009 Executive Committee meeting, in addition to discussing his interviews of employees and former employees, Grant Woods also referred to an analysis of campaign contributions and bonuses.⁶¹⁴ It remains unclear what analysis of Fiesta Bowl current or former employees' campaign contributions, if any, was done prior to the December 22, 2009 meeting.

The file that Grant Woods produced to counsel to the Special Committee includes a spreadsheet that contains bonus or payment information for 79 current and former Fiesta Bowl employees.⁶¹⁵ Woods acknowledged that it is his handwriting on the cover of this spreadsheet ("FB Bonuses"),⁶¹⁶ but stated that he did not prepare any spreadsheets and that either Husk or someone at the Fiesta Bowl prepared it.⁶¹⁷

Eyanson recalled creating a spreadsheet containing all employee bonuses from 2004 to 2009 at Wisneski's and Husk's request.⁶¹⁸ The analysis of the electronic documents collected from the Fiesta Bowl shows that an earlier version of this spreadsheet was first created on December 9, 2009.⁶¹⁹ (The printed spreadsheet in

⁶¹³ Wisneski 2-2-11 Int. at 14.

⁶¹⁴ D. Woods 2-1-11 Int. at 5-6.

⁶¹⁵ R00473. (The document was numbered by Snell & Wilmer.)

⁶¹⁶ R00472.

⁶¹⁷ G. Woods 11-23-10 Int. at 5.

⁶¹⁸ Eyanson 11-10-10 Int. at 9-10.

⁶¹⁹ R00478-83; R02754-59; R02760.

Woods' file was black and white, with many shaded areas; the electronic copies for the Fiesta Bowl versions/documents are multi-colored.) Two different versions of these documents were likely viewed via an internet connection and cache versions were created and then captured in the collection process.⁶²⁰

When shown this bonus spreadsheet (GW 000069-74), Husk stated that he did not recognize it.⁶²¹ Husk said he did not think he had ever seen the document before and said he did not even recognize many of the names on the document.⁶²²

GW 000069-74 contains no contribution information, only bonus or payment data.⁶²³ We asked and searched for evidence that Woods and/or Husk analyzed information comparing campaign contributions with bonuses before Woods gave his December 22, 2009 report. We discovered, and were provided with, none. We also asked and searched for evidence that Woods and/or Husk collected information regarding Fiesta Bowl current or former employees' campaign contributions before Woods' December 22, 2009 presentation. (Such data would be helpful to identify Fiesta Bowl employees that may have received reimbursement for campaign contributions.) Again, we discovered, and were provided with, none.

Husk said he never did any investigation or analysis of campaign contributions and that he has never visited the online state-contributions website.⁶²⁴ Woods stated he cannot specifically remember anyone doing any comparison of contributions with bonuses or reimbursements prior to the December 22, 2009 Board

⁶²⁰ R00479-83; R02754-59; R02760.

⁶²¹ Husk 1-31-11 Int. at 2.

⁶²² *Id.*

⁶²³ R00472-77.

⁶²⁴ Husk 1-31-11 Int. at 2.

meeting.⁶²⁵ Woods stated, "I remember when we told them there was no credible evidence, it may be that we hadn't actually compared with the records at that point of time."⁶²⁶ Woods said he personally never compiled any information regarding campaign contributions.⁶²⁷

Woods stated there was little time to do such an analysis before his December 22, 2009 oral report.⁶²⁸ As noted above, the first "bonus" spreadsheet that the Special Committee's counsel discovered in the Fiesta Bowl's electronic files appears to have been created on December 9, 2009.⁶²⁹ Woods and Husk met with the Executive Committee on December 14, 2009 to outline what they intended to do.⁶³⁰ During the next eight days – until his December 22, 2009 report to the Executive Committee – Woods' internal investigation was not a full-time endeavor. Woods himself has stated "we only had, like, three days" and called his investigation a "seat of the pants" investigation.⁶³¹ Other than Husk, Woods had no one working with him to assist him in his investigation during the week leading up to December 22, 2009.⁶³²

Woods stated that the first and only time he can remember asking someone to compile campaign-contribution data was in January 2010, after he had already made his oral presentation to the

⁶²⁵ G. Woods 2-2-11 Int. at 2.

⁶²⁶ *Id.*

⁶²⁷ *Id.*

⁶²⁸ *Id.*

⁶²⁹ R02760.

⁶³⁰ G. Woods 11-23-10 Int. at 2.

⁶³¹ G. Woods 2-2-11 Int. at 2, 4.

⁶³² *Id.* at 2.

Executive Committee.⁶³³ In January 2010, Woods asked Michael Brewer, Governor Jan Brewer's son, to accumulate information regarding certain Fiesta Bowl employees' campaign contributions.⁶³⁴ To complete this task, Woods provided Brewer with a list of nine current and former senior Fiesta Bowl employees: Junker, Wisneski, Schoeffler, Fields, Blouin, Laybourne, Stout, Schulman, and Cannon.⁶³⁵ Woods said he got this list from Husk.⁶³⁶ Husk denied giving Woods this list.⁶³⁷

Absent from the list of names Woods provided to Brewer were the names of a number of Fiesta Bowl employees that the federal and Arizona state campaign-contributions databases show provided campaign contributions, including Kelly (Peterson) Keogh, Aguilar, Simental, McGlynn, and Eyanson.⁶³⁸

Using the list provided by Woods, Brewer said he went to the federal and Arizona state campaign-contribution databases to research the campaign contributions.⁶³⁹ While conducting this research, Brewer noticed that several Fiesta Bowl employees provided campaign contributions on October 18, 2006—four of whom were not included in the list Woods had provided.⁶⁴⁰ Brewer decided to add these four individuals—Aguilar, McGlynn, Eyanson,

⁶³³ *Id.*

⁶³⁴ G. Woods 1-12-11 Int. at 4; G. Woods 2-2-11 Int. at 2; Brewer Int. at 2.

⁶³⁵ R0484-85.

⁶³⁶ G. Woods 1-12-11 Int. at 4; *but see* G. Woods 2-2-11 Int. at 3 (“Ms. Poulos again asked Mr. Woods if he knew where the original list came from and he responded, ‘I have tried to piece it together but sorry no, it’s fuzzy.’”).

⁶³⁷ Husk 1-12-11 Int. at 3.

⁶³⁸ Schedule A.

⁶³⁹ Brewer Int. at 3.

⁶⁴⁰ *Id.*

and Steve Whiteman⁶⁴¹— to the spreadsheet he prepared.⁶⁴² On this spreadsheet he highlighted these four names to call attention to the fact that he had found them and had personally added their names.⁶⁴³ Although Aguilar had been interviewed by Woods in December, Woods never interviewed any of the other three individuals Brewer found.⁶⁴⁴ Brewer apparently noticed that a number of spouses of the individuals he researched made campaign contributions, so he included the spouses on his spreadsheet as well.⁶⁴⁵

Brewer emailed this spreadsheet to Grant Woods on January 18, 2010.⁶⁴⁶ In the email accompanying this spreadsheet, Brewer noted, among other things:

- He did not find any contributions for Cannon or Stout (two of the individuals whom Woods had interviewed or attempted to interview in December).⁶⁴⁷
- He only found one \$50 contribution, made in 2000, for Schulman (another former employee Woods had unsuccessfully attempted to interview in December).⁶⁴⁸

⁶⁴¹ In one of the databases, Steve Whiteman was erroneously listed as an employee of the Fiesta Bowl.

⁶⁴² Brewer Int. at 3.

⁶⁴³ *Id.*

⁶⁴⁴ R0427-53.

⁶⁴⁵ Brewer Int. at 3.

⁶⁴⁶ R00484-87.

⁶⁴⁷ R00484.

⁶⁴⁸ *Id.*

- There were several contributions given to Weiers on 12-11-07 that appeared to be "the most coordinated giving. . . if this was going on."⁶⁴⁹
- There were multiple contributions on 10-18-06, which Brewer noted was "also odd."⁶⁵⁰

When asked if he had recommended to the Board that they do further investigation, Woods stated that he had raised the issue with Husk and that Husk had told him in no uncertain terms that the Board wanted the investigation to be completed and did not want any additional work to be done.⁶⁵¹

During his interview with counsel to the Special Committee, Husk said he had not seen the Brewer campaign-contribution spreadsheet until counsel to the Special Committee provided it to him.⁶⁵² Grant Woods could not recall what, if anything, he personally did with the Brewer spreadsheet.⁶⁵³

k. Husk's presentation at the January 22, 2010 Board of Directors meeting

Grant Woods' wife was in a car accident in January 2010.⁶⁵⁴ Husk thus filled in for Woods and gave a presentation regarding the

⁶⁴⁹ R00485.

⁶⁵⁰ *Id.*

⁶⁵¹ G. Woods 2-2-11 Int. at 2; *see also* G. Woods. 2-2-11 Int. at 2 (redline) ("What Gary told me was that nobody was interested in doing any further interviews or investigation. They simply wanted me to transmit the records they prepared and then to explain to the SOS how I had come to my conclusions").

⁶⁵² Husk 1-31-11 Int. at 1.

⁶⁵³ G. Woods 2-2-11 Int. at 3.

⁶⁵⁴ R00496; R00514.

findings of the first investigation to the Fiesta Bowl's Board of Directors at their January 22, 2010 meeting.⁶⁵⁵ According to the Fiesta Bowl's Board of Directors' minutes, Husk presented a PowerPoint prepared by Grant Woods that had been presented to the Secretary of State "outlining the areas of concern and the Bowl's response."⁶⁵⁶

An earlier draft of the minutes for this Board meeting read:

Special Report: Young outlined the progress undertaken by Mr. Grant Woods in review of business operations as related to recent media reports. He turned the meeting over to Mr. Gary Husk, reporting for Woods who was occupied because of a recent serious accident involving his spouse. Husk presented via Power Point a letter prepared by Woods as submitted to the Arizona Secretary of State that specifically outlined the areas of concern and the Bowl's response. Husk reported that their observations of the information were positive on all fronts. Discussion ensued regarding the letter and Young requested the interest of the Board to accept the report. Lewis made motion to accept report, seconded by Tilson. Report accepted by unanimous vote.⁶⁵⁷

This draft was then redlined by "GH" (presumably Gary Husk) as follows:

Husk reported that ~~their observations of the information were positive on all fronts.~~ Woods' review concluded that there was no credible evidence to support any improprieties on the part of the Fiesta Bowl. Discussion ensued regarding

⁶⁵⁵ R00496.

⁶⁵⁶ *Id.*

⁶⁵⁷ R00488.

the letter and Young requested the interest of the Board to accept the report.⁶⁵⁸

Thus, according to the final minutes, Husk reported that Woods' review concluded that there was no credible evidence to support any improprieties on the part of the Fiesta Bowl.⁶⁵⁹ The Board accepted the report by unanimous vote.⁶⁶⁰

I. Snell attorneys' discussion with Junker

In the December 2009-January 2010 time frame, Snell partners Williams, Hayden, and Goldfine discussed with one another their concerns about the investigation Woods and Husk were performing.⁶⁶¹ Goldfine, chair of Snell's white collar crime practice group, stated that he was concerned that the short time frame (about a week) of the investigation would neither serve the internal purpose of getting to the bottom of the allegations nor serve the ancillary purposes of persuading the public or law-enforcement officials that a thorough investigation had been done.⁶⁶² Williams and Hayden also discussed their concerns that the investigation was "more of a friendly internal investigation."⁶⁶³ Williams stated that when he first learned that Grant Woods would be doing the investigation, he had not understood that Husk would have a role in the investigation.⁶⁶⁴

On December 14, 2009, Williams sent the following email to Husk:

⁶⁵⁸ R00492.

⁶⁵⁹ R00496.

⁶⁶⁰ R00500.

⁶⁶¹ Hayden Int. at 3; Goldfine Int. at 2, 3; Williams 12-8-10 Int. at 5.

⁶⁶² Goldfine Int. at 3.

⁶⁶³ Williams 12-8-10 Int. at 5; Hayden Int. at 3.

⁶⁶⁴ Williams 12-8-10 Int. at 2.

Gary,

sorry i missed your call.

need to get caught up on various matters some cryptic thoughts on Bowl issues from last week:

-i think we may want to set up outside (Grant) and inside counsel for investigation, inside would communicate with outside and also communicate with Bowl. atty client issues and also i think this is a fairly standard set up for this type of work??

-i would like to get out on the table all of the skeletons so to speak and work with the bowl on that so that we can evaluate the worst case scenario, need to get bill hayden involved as he knows some of this stuff already.

call and we can discuss.

thanks⁶⁶⁵

After the meetings in December, it became apparent to Williams that Husk had a long-term relationship with Grant Woods, and that he was doing a lot of work for Woods in connection with the investigation.⁶⁶⁶ In addition, Williams said, although at that time he was not aware of the full extent of Husk's involvement with the Fiesta Bowl, Williams was aware that Husk had done lobbying work and was "extremely" tied to the Fiesta Bowl.⁶⁶⁷

Hayden said that he and his partners were "hurt" that the Fiesta Bowl did not come to them for advice regarding the internal

⁶⁶⁵ R00502.

⁶⁶⁶ Williams 12-8-10 Int. at 7; *but see* Williams 1-20-11 Int. at 2 (comments from Williams' attorney on the notes from Williams' interview).

⁶⁶⁷ Williams 12-8-10 Int. at 5; Williams 1-20-11 Int. at 2.

investigation.⁶⁶⁸ Hayden said that at some point in December 2009 he learned that the Bowl had picked a "big name," Grant Woods, to do the investigation.⁶⁶⁹ When he learned of Husk's role, it looked to Hayden as though Woods was bringing in his "buddy" to do the investigation.⁶⁷⁰ Hayden said he and his partners thought that this made the investigation look as if it was not a true independent investigation.⁶⁷¹ Hayden said that even if the investigation uncovered the truth, it would not appear to be an objective investigation.⁶⁷² He said he was concerned that this internal investigation was going to "come back and bite" the Fiesta Bowl.⁶⁷³

The Snell & Wilmer billing records show that in December 2009, three Snell attorneys — Hayden, partner Craig McPike, and associate Kathryn Hackett⁶⁷⁴ — billed 30.3 hours to matters related to the allegations raised by *The Arizona Republic* article.⁶⁷⁵ From the billing records, it is also clear that Williams worked on these issues — his name shows up as a participant in conferences with his partners and as providing information — but he did not bill for his time.⁶⁷⁶

According to the billing records, during December 2009, Hayden met with Williams "to review background events leading to Fiesta Bowl Board decision to retain outside independent

⁶⁶⁸ Hayden Int. at 3.

⁶⁶⁹ *Id.*

⁶⁷⁰ *Id.*

⁶⁷¹ *Id.*

⁶⁷² *Id.*

⁶⁷³ *Id.*

⁶⁷⁴ Ms. Hackett is now known as Kathryn Hackett King; www.swlaw.com.

⁶⁷⁵ R00503-09.

⁶⁷⁶ R00503-06.

investigator to look into recently surfaced allegations and resulting media inquiries."⁶⁷⁷ The records reflect that Hayden had a "follow up phone conference with G. Haak [sic] and C. Williams begin review of procedures to be followed to commence internal investigation by former Attorney General G. Woods, and discuss potential roles to assist in prompt completion of internal investigation."⁶⁷⁸ Hayden's time entry stated that he also spoke with Junker about these issues on that day to "respond to client questions re strategy to be implemented and agree upon follow up steps to be taken."⁶⁷⁹ According to the time records, Hackett met with Williams and Hayden and performed legal research.⁶⁸⁰

Hayden said he and his partners had many conversations amongst themselves, deliberating about what, if anything, they should share with their client about their concerns.⁶⁸¹ As Hayden recalled, no one at the Bowl had asked their opinion, so they struggled as to whether they should offer advice.⁶⁸² Finally, Hayden and Williams decided to call Junker and "diplomatically" share their concerns with him.⁶⁸³

Williams said that their call to Junker occurred in or around January 2010.⁶⁸⁴ Williams recalled that he and Hayden suggested to Junker that there was another way to do the investigation other than

⁶⁷⁷ R00503.

⁶⁷⁸ *Id.*

⁶⁷⁹ R00503.

⁶⁸⁰ R00503-06.

⁶⁸¹ Hayden Int. at 3, 4.

⁶⁸² *Id.* at 4.

⁶⁸³ *Id.* at 4.

⁶⁸⁴ Williams 12-8-10 Int. at 5.

the way it was being done and they had ideas on how to proceed.⁶⁸⁵ Both Hayden and Williams recalled that the call was brief and unproductive.⁶⁸⁶ Williams recalled Junker saying "this will work," that the investigation was almost finished, and that he just wanted to get it done and behind him.⁶⁸⁷ Junker refused to talk to counsel to the Special Committee about this conversation.⁶⁸⁸

Goldfine stated that he also spoke with Junker about the topic of the investigation.⁶⁸⁹ He said he was looking for a business opportunity, so he called Junker and scheduled a lunch with him, which he believes was sometime in January 2010.⁶⁹⁰ Goldfine said he recommended to Junker that the Fiesta Bowl set up a special committee to investigate the campaign contribution allegations.⁶⁹¹ Goldfine reported that Junker was polite but unreceptive.⁶⁹² Goldfine said that they only spoke briefly about this topic before moving to other areas of conversation.⁶⁹³ Again, as noted above, Junker refused to talk to the Special Committee about this conversation as well.⁶⁹⁴

Williams stated that during this time frame there were no discussions at the Executive Committee meetings questioning either the length or independence of the investigation.⁶⁹⁵ Williams stated he

⁶⁸⁵ Williams 1-20-11 Int. at 3.

⁶⁸⁶ Hayden Int. at 4; Williams 12-8-10 Int. at 5; Williams 1-20-11 Int. at 3.

⁶⁸⁷ Williams 12-8-10 Int. at 5; Williams 1-20-11 Int. at 3.

⁶⁸⁸ Junker 1-31-11 Int. at 6.

⁶⁸⁹ Goldfine Int. at 8.

⁶⁹⁰ *Id.*

⁶⁹¹ *Id.*

⁶⁹² *Id.*

⁶⁹³ *Id.*

⁶⁹⁴ Junker 1-31-11 Int. at 6.

⁶⁹⁵ Williams 1-20-11 Int. at 3.

did not raise Snell & Wilmer's concerns with fellow Executive Committee members or the Fiesta Bowl's Board.⁶⁹⁶ Williams said he did not do so because they had access to the same information about the internal investigation as he did.⁶⁹⁷

D. The Arizona Secretary of State and Attorney General investigations and the formation of the Special Committee

1. The Secretary of State requested information in early 2010

On December 28, 2009, Playoff PAC requested that Ken Bennett, Arizona's Secretary of State, investigate the allegations in the article in *The Arizona Republic*.⁶⁹⁸ Shortly thereafter, the Arizona Secretary of State's Office commenced an investigation.⁶⁹⁹ According to email correspondence between public affairs consultant Charles Coughlin of HighGround (who worked for the Bowl through an arrangement with Husk Partners)⁷⁰⁰ and Junker on December 29, 2009, Grant Woods apparently spoke with Amy Bjelland from the Secretary of State's Office to give "her the background information about his work."⁷⁰¹ According to a follow-up email that same day from Husk to Coughlin and Junker, Woods' "discussions went very well."⁷⁰²

⁶⁹⁶ Williams 1-20-11 Int. at 3.

⁶⁹⁷ *Id.*

⁶⁹⁸ R00511-12.

⁶⁹⁹ R00030-32.

⁷⁰⁰ R01992; R01657-1826; Coughlin Int. at 5.

⁷⁰¹ R00513.

⁷⁰² *Id.*

On December 30, 2009, Bjelland wrote to Young and Junker requesting a response to Playoff PAC's Complaint by January 13, 2010.⁷⁰³ Bjelland also requested the information Woods had gathered as part of his internal investigation, stating: "Please provide as much documentation as possible, including payroll records, interviews with current and former employees and any other documentation that may help our inquiry."⁷⁰⁴

Bjelland wrote again on January 14, 2010, this time to Grant Woods.⁷⁰⁵ According to the letter, Woods apparently had called her on January 13 to let her know that the Fiesta Bowl could not respond by January 13 as Bjelland had originally requested.⁷⁰⁶ Bjelland wrote: "Considering the work the Fiesta Bowl has already done to investigate the matter as reported by you and the *Arizona Republic*, I am confused why you were unable to provide even minimal documentation to my office by yesterday's due date."⁷⁰⁷ Bjelland granted Woods an extension until January 20, 2010.⁷⁰⁸

On January 18, 2010, as noted above, Woods received Brewer's spreadsheet showing campaign contributions for certain individuals.⁷⁰⁹ On January 19, Woods wrote to Husk:

In reviewing the contributions v. bonuses, there is no apparent problem. There is no pattern and hardly any bonuses after contributions. The only one that stands out is Blouin giving 250 in Sept 05 and a couple of weeks later

⁷⁰³ R00510.

⁷⁰⁴ R00510.

⁷⁰⁵ R00514-15.

⁷⁰⁶ R00514.

⁷⁰⁷ *Id.*

⁷⁰⁸ R00514-15.

⁷⁰⁹ R00484.

getting a bonus of \$2711. But that is probably a coincidence. The only thing left is to compare the contributions to expense reimbursements. We need expense info for the following back through 2000: Junker, Wisneski, Schœffler, Fields, Blouin, Laybourne, Anthony Aguilar, Mary McGlynn, Steve Witeman, Peggy Eyanson. If there is a description of the expenses they were being reimbursed for, that would be helpful. Need this asap. But the bonus issue is dead as far as I'm concerned.⁷¹⁰

It is not clear what information Woods was referring to when he stated to Husk that "[t]here is no pattern and hardly any bonuses after contributions."⁷¹¹ The only information that Woods appears to have received with respect to contributions was Brewer's spreadsheet; the only information found in his files regarding bonuses was the "FB Bonuses" spreadsheet marked GW000069-74. But even looking at these two sources, it is apparent that there are some bonuses that occur after contributions and certain potential patterns of contributions and reimbursements.

For example, the following potential matches can be discerned from a comparison of Brewer's contribution spreadsheet with the "FB Bonuses" spreadsheet in Woods' files (GW000069-74):

- Brewer's spreadsheet shows McGlynn made a campaign contribution on April 28, 2006, of \$1,000; the "FB Bonuses" spreadsheet shows that three weeks after this contribution McGlynn received a bonus of \$1,400;
- Brewer's spreadsheet shows McGlynn made a campaign contribution on October 29, 2007, of \$390; the "FB

⁷¹⁰ R00516.

⁷¹¹ *Id.*

Bonuses" spreadsheet shows that one month after this contribution McGlynn received a bonus of \$450;

- Brewer's spreadsheet shows that Aguilar made a campaign contribution on February 23, 2006, of \$500; the "FB Bonuses" spreadsheet shows that one day after this contribution Aguilar received a bonus of \$1,000;
- Brewer's spreadsheet shows that Aguilar made a campaign contribution on May 3, 2006, of \$250; the "FB Bonuses" spreadsheet shows that six days after this contribution Aguilar received a bonus of \$300;
- Brewer's spreadsheet shows that Aguilar made a campaign contribution on July 24, 2006, of \$120; the "FB Bonuses" spreadsheet shows that six days earlier, Aguilar received a bonus of \$150;
- Brewer's spreadsheet shows Wisneski and her husband each contributed \$390 on December 11, 2007; the "FB Bonuses" spreadsheet shows that four days later Wisneski received a bonus of \$1,500;
- Brewer's spreadsheet shows Schoeffler and his wife each contributed \$390 on December 11, 2007; the "FB Bonuses" spreadsheet shows that four days later Schoeffler received a bonus of \$1,500;
- Brewer's spreadsheet shows Wisneski contributed \$200 on November 25, 2006; the "FB Bonuses" spreadsheet shows that one month later Wisneski received a bonus of \$202.94; and
- Brewer's spreadsheet shows Fields contributed \$200 on November 25, 2006; the "FB Bonuses" spreadsheet

shows that one month later Fields received a bonus of \$304.71.⁷¹²

As noted earlier, after concluding on January 19 that the "bonus issue" was "dead," Woods asked Husk for expense-reimbursement information.⁷¹³ On January 19 and into January 20, Wisneski sent Husk a series of emails with spreadsheets containing monthly American Express reimbursements for Wisneski, Junker, Schoeffler, Laybourne, Whiteman, Eyanson, McGlynn, Blouin, and Aguilar.⁷¹⁴ The information in these spreadsheets simply gave a monthly total for the expense reimbursements with no further breakdown.⁷¹⁵

But Wisneski also sent along other backup information for certain months' reimbursements that may have corresponded to certain campaign contributions on Brewer's spreadsheet. For example, on January 20, 2010, she sent to Husk "NW backup for 6/09 reimbursement" and "NW back-up for 4/06

⁷¹² Compare R00486-87 with R00472-77.

⁷¹³ R00516.

⁷¹⁴ R00931-58. Because of Whiteman's inclusion on this list, the Special Committee's counsel was directed to and did investigate contributions made by Whiteman and payments made to him. No reimbursements for campaign contributions were found, and with the exception of Wisneski reporting minor concerns relating to a personnel matter involving Laybourne—Wisneski 2-9-10 Int. at 8-9—no interviewee reported any concerns about Whiteman. No interviewee reported any concerns about Bruner or McGregor either. The Special Committee's counsel, again at the Special Committee's direction, also investigated Bruner and McGregor's campaign contributions and found no evidence of reimbursements for campaign contributions (for Bruner) and no evidence of any payments or benefits of any kind to Justice McGregor.

⁷¹⁵ R00931-58.

reimbursement.⁷¹⁶ Brewer's spreadsheet shows contributions by Wisneski of \$1,000 on April 28, 2006, and \$1,000 on June 30, 2009,⁷¹⁷ so it is possible that this backup may have been provided for Woods or Husk to discern whether Wisneski had been reimbursed for those two campaign contributions through her expense reimbursement.

On January 19, 2010, Husk sent Woods an initial draft response to Bjelland's letters of December 29, 2009 and January 14, 2010.⁷¹⁸ Woods, Junker, and Husk each made several revisions to this draft,⁷¹⁹ and on January 20, 2010, the final was sent to Bjelland in a letter signed by Woods.⁷²⁰ In this letter, Woods stated that "at no time has any employee ever been reimbursed for a political contribution."⁷²¹ He continued, "As you know, I was hired to investigate this and other allegations. I have found no credible evidence to support any of the allegations contained in the newspaper article or the complaint."⁷²² Woods also wrote: "I have gone through the records of contributions for all of the aforementioned employees, past and present, and compared it to any bonuses or expense reimbursement and found no pattern or other evidence that would indicate reimbursement."⁷²³

On February 3, 2010, Woods and Husk met with Bjelland and several members of the Secretary of State's staff.⁷²⁴ Husk said that

⁷¹⁶ R00517-27.

⁷¹⁷ R00486-87.

⁷¹⁸ R00516.

⁷¹⁹ R00524-47.

⁷²⁰ R00548-52.

⁷²¹ R00549.

⁷²² *Id.*

⁷²³ R00551.

⁷²⁴ Husk 11-3-10 Int. at 10.

the purpose of the meeting was to share with Bjelland the results of the investigation.⁷²⁵ Husk said Woods made a presentation and told Bjelland and her colleagues that there was no evidence of reimbursed contributions.⁷²⁶ According to Husk, Jim Drake, an attorney from the Legislative Council, said: "Well, that's not what I'm hearing down the street [referring to the Legislature]."⁷²⁷ Husk said that during this meeting he personally answered some questions about who worked at the Fiesta Bowl.⁷²⁸ Husk also said that he and Woods shared some documents with the Secretary of State but could not remember which ones were shared.⁷²⁹

2. An incomplete spreadsheet of contributions, bonuses, and expense reimbursements was provided to the Secretary of State on February 22, 2010

Wisneski said that at Husk's direction, she and other Fiesta Bowl employees compiled information for the Secretary of State, including certain data on a spreadsheet comparing contributions with bonuses and expense reimbursements.⁷³⁰ Printed out and taped together—the format in which Woods produced it to counsel to the Special Committee—this spreadsheet is 6 pages wide and approximately 51 inches long.⁷³¹ Grant Woods sent this spreadsheet to the Secretary of State on February 22, 2010.⁷³² For ease of reading, this document will be referred to as the 2-22-10 Spreadsheet.

⁷²⁵ *Id.*

⁷²⁶ *Id.*

⁷²⁷ *Id.* at 10-11.

⁷²⁸ *Id.* at 10.

⁷²⁹ *Id.*

⁷³⁰ Wisneski 2-2-11 Int. at 18.

⁷³¹ R01863.

⁷³² R00553-65.

The 2-22-10 Spreadsheet lists employees who made contributions, together with certain limited bonus and expense-reimbursement information for those employees.⁷³³ Wisneski recalled that the contribution information on the 2-22-10 Spreadsheet came from the Secretary of State's Office and that the expense reimbursement and bonus information was to be provided by the Fiesta Bowl.⁷³⁴

It appears from the documents that we reviewed that work on the 2-22-10 Spreadsheet began in late January 2010.⁷³⁵ Wisneski recalled that Eyanson compiled the bonus information for this spreadsheet, while Simental compiled the expense reimbursement information.⁷³⁶

On January 28, 2010, Simental sent Eyanson an email with the subject line "Exec Staff - Staff Contributions-Exp-Bonus Spreadsheet."⁷³⁷ The email read "Natalie will be by later to give you your marching orders (that's how she put it)."⁷³⁸ Three hours later, Eyanson sent to Wisneski the beginnings of what appears to be the long spreadsheet that was ultimately given to the Secretary of State on February 22, 2010.⁷³⁹ Eyanson's email to Wisneski states, "Here you go to the best of my cancelled check records. Do you want me to try to get into ADP for those times or just leave it at my manual checks?"⁷⁴⁰

⁷³³ R01863.

⁷³⁴ Wisneski 2-2-11] Int. at 18.

⁷³⁵ R00566.

⁷³⁶ Wisneski 2-2-11 at 18.

⁷³⁷ R00566.

⁷³⁸ *Id.*

⁷³⁹ *Id.*

⁷⁴⁰ *Id.*

A review of the 2-22-10 Spreadsheet provided to the Secretary of State's Office, when compared to other available information on contributions and bonuses, shows that the 2-22-10 Spreadsheet does not contain a number of campaign contributions and a significant number of bonuses provided to current and former Fiesta Bowl employees. Consequently, the 2-22-10 Spreadsheet that was provided to the Secretary of State is missing a number of bonuses that Fiesta Bowl witnesses now say were, in reality, reimbursements for campaign contributions. For example, the 2-22-10 Spreadsheet, a partial scan of which is reproduced below, shows the following information for Junker:

John Junker			
	Contribution	Exp	Bonus
		Reimbur	
2000	\$256 - 8/14/00	\$548.86 - 8/15/00	
	\$250 - 8/23/00	\$37.83 - 9/5/00	
	\$125 - 8/25/00	\$71.00 - 10/2/00	\$30,000.00 - 08-08-2000
	\$250 - 10/11/00		
2001	\$250 - 1/08/01		\$13,750.00 - 08-16-2001
	\$700 - 8/13/01		\$30,000.00 08-04-2001
2002	\$0.00		
2003	\$2000 - 2/28/03	\$3785.68 - 3/31/03	\$12,000.00 - 03-11-2003
2004	\$150 - 7/13/04		\$14682.12 - 11-18-2004
	\$1000 - 10/30/04	\$20,000 - 11/2/04	
2005	\$250 - 8/8/05	\$608.60 - 8/05	
2006	\$1000 - 4/27/06	\$1428.00 - 4/06	\$100,000.00 - 09-29-2006 \$16030.28 - 11-29-2006
2007	\$2100 - 3/8/07		\$100,000.00 - 08-31-2007 \$1800.00 - 12-18-2007
2008	\$0.00		
2009	\$1000 - 8/30/09		\$120,000.00 09-30-2009

Notably missing from this spreadsheet are the two Junker "bonuses" (the \$31,948.88 2-26-07 and \$5,522.97 8-23-07 checks) that Wisneski has identified as campaign-contribution reimbursements.⁷⁴¹

Although this Junker bonus information is missing from the 2-22-10 Spreadsheet, this bonus information is contained on the bonus spreadsheet that Eyanson originally created on December 9, 2009, a copy of which is in Grant Woods' files at GW000069-74.⁷⁴² Thus, Eyanson's spreadsheet includes both Junker checks:

⁷⁴¹ R01863.

⁷⁴² R00472-77; R00478-83.

Junker		
	date	amount
2004	1/4/2004	\$ 90,000.00
	6/16/2004	\$ 14,765.52
	5/24/2004	\$ 4,500.00
	11/19/2004	\$ 14,582.12

2005	3/16/2005	\$ 75,000.00
	12/1/2005	\$ 15,107.10
	12/13/2005	\$ 77,000.00

2006	8/28/2006	\$ 100,000.00
	11/28/2006	\$ 15,030.25

2007	2/28/2007	\$ 31,948.88	←
	5/31/2007	\$ 100,000.00	
	8/23/2007	\$ 5,522.97	←
	12/15/2007	\$ 1,500.00	
	12/5/2007	\$ 14,534.87	

2008	8/22/2008	\$ 12,500.00
	12/15/2008	\$ 5,000.00
	12/15/2008	\$ 10,000.00
2009	6/10/2009	\$ 120,000.00
	6/17/2009	\$ 78,257.46
	8/26/2009	\$ 9,854.67

Likewise, other "bonus" data are missing from the 2-22-10 Spreadsheet. For example, the Eyanson spreadsheet lists 13 bonuses for Kelly (Peterson) Keogh.⁷⁴³ The spreadsheet provided to the Secretary of State, however, lists Kelly (Peterson) Keogh as receiving only two bonuses.⁷⁴⁴

⁷⁴³ R00478-83.

⁷⁴⁴ R01863.

Wisneski recalled that they were instructed by Husk to include information for only those bonuses and reimbursements paid within a short time after the contribution, even though, according to Wisneski, Husk knew that reimbursements frequently lagged behind campaign contributions.⁷⁴⁵

Eyanson has only a vague recollection as to what her "marching orders" were with respect to the compilation of the bonus data on the 2-22-10 Spreadsheet.⁷⁴⁶ She said she recalled that she was not supposed to include bonuses that came before a contribution.⁷⁴⁷

Even if Wisneski's assertion is correct, this instruction would not account for all the missing data. For example, Wisneski gave a contribution of \$2,100 to McCain on March 8, 2007, as did her husband. Wisneski's \$2,100 contribution is on the Secretary of State spreadsheet; however, the \$4,000 net "bonus" she received just one week later is not. Wisneski has identified this \$4,000 bonus as a reimbursement for her campaign contributions to McCain.⁷⁴⁸

Eyanson said she does not know why she did not include all the bonus information from her manual checkbook records on the spreadsheet that she worked on in late January 2010 (and which ultimately became the 2-22-10 Spreadsheet given to the Secretary of State).⁷⁴⁹ Eyanson did say, however, that Wisneski did *not* instruct her to leave off from the spreadsheet bonuses that may have been reimbursements for campaign contributions.⁷⁵⁰ And indeed, an analysis of the 2-22-10 Spreadsheet shows that there does not appear

⁷⁴⁵ Wisneski 2-2-11 at 18.

⁷⁴⁶ Eyanson 3-3-11 Int. at 3-4.

⁷⁴⁷ *Id.*

⁷⁴⁸ R00921.

⁷⁴⁹ Eyanson 3-3-11 Int. at 4-5.

⁷⁵⁰ *Id.* at 5.

asterisk by those "bonuses" that Wisneski and/or Eyanson have identified as campaign-contribution reimbursements.

We were ultimately unable to ascertain from the documents we reviewed and the individuals we interviewed why certain bonuses (such as the two 2007 Junker bonuses that Wisneski alleges are campaign reimbursements) were not included on the 2-22-10 Spreadsheet. According to Wisneski, Junker and Husk were aware that the 2-22-10 Spreadsheet did not include Junker's 2007 \$4,200 bonus.⁷⁵⁶ She said that both were "relieved" to see that it had been left off.⁷⁵⁷

3. Wisneski and Eyanson alleged that they were told to delete and alter information regarding bonuses

Wisneski said Husk told her to delete the original Eyanson spreadsheet, which showed a more complete set of bonus information than the spreadsheet given to the Secretary of State.⁷⁵⁸ Likewise, Eyanson told counsel to the Special Committee that Wisneski had told her that Husk said they should delete the spreadsheets that showed the bonuses written from the manual checkbook.⁷⁵⁹ Both Eyanson and Wisneski recalled that the instructions were to "double delete" the spreadsheet.⁷⁶⁰ Wisneski understood this instruction to direct her to delete the spreadsheet from her inbox and then delete it from her trash folder,⁷⁶¹ and Eyanson understood the instruction to direct her to delete the spreadsheet from her "sent" folder and then delete it from her trash

⁷⁵⁶ Wisneski 3-3-11 Int. at 8.

⁷⁵⁷ *Id.*

⁷⁵⁸ Wisneski 2-2-11 Int. at 20-21.

⁷⁵⁹ Eyanson 11-10-10 Int. at 10.

⁷⁶⁰ Eyanson 11-10-10 Int. at 10.

⁷⁶¹ Wisneski 2-2-11 int. at 20.

folder.⁷⁶² Wisneski recalled, "Yeah, I don't remember him wanting us to keep any of them. I remember getting them and trying to go through and review them before I sent them and I remember being very nervous so I ended up putting them in my top drawer. He asked us to get rid of them. . . ." ⁷⁶³ When asked if she gave the same instructions to Eyanson, Wisneski responded, "I wouldn't have—I wouldn't have said destroy it. I would not have come up with the idea to destroy everything."⁷⁶⁴

Neither Wisneski nor Eyanson followed what they claimed was Husk's instruction.⁷⁶⁵ Instead, both said they kept copies of the bonus spreadsheets and both were able to produce hard-copy versions to counsel to the Special Committee. ⁷⁶⁶ Wisneski provided hard copies of the spreadsheet with the handwritten cover note: "Documents used to prepare the spreadsheet (attached). Gary requested that we keep no copies of any materials."⁷⁶⁷

Wisneski said that, in an effort to follow Husk's alleged request that they keep no materials relating to campaign-contribution reimbursements, she approached Eyanson about certain notes in the manual checkbook.⁷⁶⁸ Wisneski said she was aware that the checkbook contained some notes that occasionally stated the purpose of the reimbursement.⁷⁶⁹ She recalled without reviewing

⁷⁶² Eyanson 2-3-11 Int.

⁷⁶³ Wisneski 2-2-11 Int. at 20.

⁷⁶⁴ *Id.* at 21.

⁷⁶⁵ Eyanson 11-10-10 Int. at 10; Wisneski 2-10-11 Int. at 1.

⁷⁶⁶ Eyanson 11-10-10 Int. at 10; Wisneski 2-10-11 Int. at 1; R00573-77; R00579-84.

⁷⁶⁷ R00578-95.

⁷⁶⁸ Wisneski 2-2-11 Int. at 21.

⁷⁶⁹ *Id.*

any documents, for example, that the initials "JMC" had been written on the check stub for Junker's McCain campaign reimbursements.⁷⁷⁰ (Actually, as shown earlier in this report, the check stub shows only the initials "MC.")⁷⁷¹

Another example of a check stub that appears to portray the purpose of the bonus is the following handwritten note, which reads "C. Allen 9-20 Bonus AA," as shown below, on the left-side stub:⁷⁷²



(Aguilar gave a \$250 donation to Carolyn Allen on September 8, 2005, and then received a check on September 20, 2005, in the net amount of \$250.)⁷⁷³

Wisneski said she asked Eyanson to alter her notes in the manual checkbook.⁷⁷⁴ Wisneski recalled, "There were notes that

⁷⁷⁰ *Id.*

⁷⁷¹ C00100.

⁷⁷² C00197.

⁷⁷³ Schedule A.

⁷⁷⁴ Wisneski 2-2-11 Int. at 21.

[Peggy] wrote down on her check stub part. And I remember saying you've got to get rid of everything. You've got to get all of the notes and I believe she argued she couldn't do that."⁷⁷⁵

Eyanson recalled this exchange as well. She remembered sitting in her office with Wisneski "looking at things that might throw up a red flag."⁷⁷⁶ Eyanson said that Wisneski asked her to make changes to these documents but that Eyanson told her, "I won't do that."⁷⁷⁷

Husk denied that he ever instructed Wisneski or anyone else at the Fiesta Bowl to delete or alter anything.⁷⁷⁸ In an email dated February 18, 2011, Husk wrote to counsel to the Special Committee:

I absolutely did not ask or instruct Ms. Wisneski or any others at the Fiesta Bowl to not keep, to delete, to destroy or otherwise dispose of documents, including the documents numbered NW0001-21 which you have provided for my review. Although I have not recently conducted a review of the documents in my file, I believe at least a portion of these documents were contained in the material that I previously provided. In addition, I believe all original expenses receipts would have been included in the boxes of material that were presented and reviewed by the Secretary of State. In addition, I was not aware that documents could be permanently deleted from a computer hard-drive. However, I certainly do not have the computer expertise to address that issue.⁷⁷⁹

⁷⁷⁵ *Id.*

⁷⁷⁶ Eyanson 3-3-11 Int. at 6.

⁷⁷⁷ *Id.*

⁷⁷⁸ R00596-98; Husk 2-10-11 Int. at Addendum.

⁷⁷⁹ R00596-98.

4. Wisneski altered documents

Wisneski stated that she made certain alterations to the manual check register to add pretextual reasons for certain bonuses that were, in fact, campaign contributions.⁷⁸⁰

Wisneski recalled that after the Fiesta Bowl had given boxes of expense reports and check requests to the Secretary of State, she then had to answer follow-up questions regarding certain information.⁷⁸¹ Wisneski said she met with Husk to go through the information that the Secretary of State wanted.⁷⁸² Many of the questions were about alleged reimbursements to Blouin, and Wisneski said she had no trouble answering those.⁷⁸³ She said other questions, however, relating to bonuses for the staff or for Wisneski herself, were more difficult to explain.⁷⁸⁴ Wisneski said that Husk sent her a spreadsheet from the Secretary of State and that she was supposed to fill in a reason for certain bonuses on the spreadsheet.⁷⁸⁵ She said she made certain notes in the manual check register to help her recall the reasons she had listed on the spreadsheet.⁷⁸⁶

For example, Wisneski recalled that she placed a notation "Aon bonus" on the check stub in the checkbook register for a March 15, 2007 check to Simental.⁷⁸⁷ Wisneski said that this notation was not accurate.⁷⁸⁸ Rather, Wisneski said, she put the notation "Aon bonus"

⁷⁸⁰ Wisneski 2-2-11 Int. at 21.

⁷⁸¹ Wisneski 2-2-11 Int. at 20; Wisneski 2-10-11 Int. at 8.

⁷⁸² Wisneski 2-2-11 Int. at 20.

⁷⁸³ *Id.*

⁷⁸⁴ *Id.*

⁷⁸⁵ *Id.*

⁷⁸⁶ *Id.* at 21.

⁷⁸⁷ *Id.*; C00117.

⁷⁸⁸ *Id.*

in the check register so she could remember that she had put down "Aon bonus" on the spreadsheet for the Secretary of State.⁷⁸⁹

Consistent with Wisneski's statements, Eyanson stated that the handwritten notation "Aon bonus" written next to the March 15, 2007 check was added *after* that check was cashed.⁷⁹⁰ Eyanson presumed Wisneski had done this.⁷⁹¹

Simental said that although she worked with Aon (the insurance broker) to get the Fiesta Bowl's insurance quotes, this was something she did every year and she never received a bonus for that work in any year.⁷⁹² Simental reported that sometime well after she received this \$2,000 check, Wisneski asked her what sort of work she was doing around the time of the March 15, 2007 "bonus" and Simental told her about her work with Aon.⁷⁹³

Wisneski, Eyanson and Simental each identified this check as a reimbursement to Simental for the March 8, 2007 check she had written to the McCain campaign one week earlier, not as a bonus for Simental's work on Aon.⁷⁹⁴

Wisneski stated that another alteration she did was to put the notation "child care" in the manual check register next to the \$202.94 "bonus" she received on December 27, 2006, as a reimbursement for her \$200 contribution to Carolyn Allen on November 25, 2006.⁷⁹⁵

⁷⁸⁹ *Id.*

⁷⁹⁰ C00117; C00841; Eyanson 11-29-10 Int. at 11.

⁷⁹¹ Eyanson 11-29-10 Int. at 11.

⁷⁹² Simental 11-13-11 Int. at 6-7.

⁷⁹³ *Id.* at 10.

⁷⁹⁴ Simental 11-13-11 Int. at 6-7, 10; R00573-81.

⁷⁹⁵ Wisneski 2-10-11 Int. at 5.

5. The FBI interviewed an employee

Simental reported that she was contacted by the FBI in January 2010.⁷⁹⁶ Simental stated that she had received a voicemail which indicated that "her name had come up because somebody had applied for a job with the FBI and they needed to talk to her," to perform a background check.⁷⁹⁷ Simental stated that the caller reported that she "specifically couldn't discuss it over the phone."⁷⁹⁸ Simental reported that a meeting was arranged at a Paradise Bakery near Simental's home.⁷⁹⁹ She was met by two agents—one of whom she remembered was named "Sarah"—and provided a detailed description of both.⁸⁰⁰ Simental reported that the agents told her that the meeting was not actually about a background check but "about the John McCain contributions and the Fiesta Bowl."⁸⁰¹ She stated "I was pretty much in a panic state. I was trying not to show them that I was freaking out so I just sat there and told myself to calm down."⁸⁰² Simental reported that she was asked about campaign contributions, bonuses, reimbursements, her political affiliation (Democrat), and whether she had voted for McCain (she reported that she liked McCain but did not vote for him because of Sarah Palin, a response she reported elicited laughter from the female agent).⁸⁰³

⁷⁹⁶ Simental 2-15-11 Int. at 1.

⁷⁹⁷ *Id.*; see also R01963.

⁷⁹⁸ Simental 2-15-11 Int. at 2.

⁷⁹⁹ *Id.*

⁸⁰⁰ *Id.* Based on further investigation by counsel to the Special Committee, it is believed that the two individuals are, in fact, FBI agents.

⁸⁰¹ Simental 2-15-11 Int. at 3.

⁸⁰² *Id.*

⁸⁰³ *Id.* at 2-4.

Simental stated that she called Eyanson the night of the meeting.⁸⁰⁴ She also recalled telephoning Husk, and believed that he was already informed of the details of her meeting as she had shared them with Eyanson.⁸⁰⁵ She reported that Husk was initially skeptical that the FBI was involved but told her the next day that he had called the Bureau and confirmed that the people Simental met with were FBI agents.⁸⁰⁶ Simental reported that she spoke with Wisneski the next day about her meeting and that "later that day, John [Junker] talked to me on the telephone and basically said, 'I'm sorry you had to go through that and that we are here for you for whatever you need.'"⁸⁰⁷

Eyanson's recollection of the conversation with Simental was consistent with Simental's.⁸⁰⁸ Wisneski reported similar information as Simental did as well.⁸⁰⁹

Simental reported that at some point after the meeting, Husk came to her office and had her "walk him through everything that was said," which she did.⁸¹⁰ After hearing her retelling, she stated that Husk told her "I had done good."⁸¹¹

⁸⁰⁴ *Id.* at 5.

⁸⁰⁵ *Id.* at 5.

⁸⁰⁶ *Id.* at 5-6.

⁸⁰⁷ *Id.* at 6.

⁸⁰⁸ Eyanson 2-3-11 Int.

⁸⁰⁹ Wisneski 2-16-11 Int. at 1.

⁸¹⁰ Simental 2-15-11 Int. at 7.

⁸¹¹ *Id.*

6. The Secretary of State referred the Fiesta Bowl investigation to the Arizona Attorney General

In February 2010, Bjelland at the Secretary of State's Office sent a letter to a number of Fiesta Bowl employees.⁸¹² One of these letters read as follows:

Our office has received a complaint alleging that the Fiesta Bowl violated Arizona campaign finance laws by inducing its employees to contribute to certain candidate campaign committees and then reimbursing those employees for their contributions. The violations alleged involve ARS § 16-907 (making contributions in the name of another) and ARS § 16-919 (prohibition on contributions from corporations).

In order to properly review this matter, we are reaching out to current and former Fiesta Bowl employees. Please note, if you are represented by counsel in this matter, please do not respond to me directly; instead have your counsel contact me at the phone number or e-mail address below. If you are not represented by counsel, please contact me directly as we would appreciate hearing any relevant information you may have regarding this matter.

If you have any questions, please contact me at (602) 542-6167 or by e-mail at abjelland@azsos.gov.⁸¹³

A few Fiesta Bowl employees recalled receiving a letter such as the one quoted above.⁸¹⁴ Aguilar reported that after receiving the letter, he first talked to Husk:

⁸¹² Aguilar 2-1-11 Int. at 13; Aguilar 11-24-10 Int. at 7-8; Simental 1-13-11 Int. at 5; Keogh 1-13-11 Int. at 12. This letter was first brought to the Committee's attention when Husk produced it October 29, 2009, a fact which Husk's counsel noted as evidence of Husk's cooperation. R00412.

⁸¹³ R01427.

On February 3, I had received a letter from the Secretary of State's Office asking me to call them. I called Gary Husk about it and he told me that they were going to ask me about any political campaign contributions. . . . like telling me how they might ask about campaign contributions, and he was nodding his head. It was a very casual conversation. It was kind of like—he knew my mind. He said it was going to be the same set of questions for the Grant Woods interview and I remember he told me to 'stay the same course.'⁸¹⁵

Later, Aguilar says he spoke with Bjelland — "Because I knew her, it was very casual. It almost felt like the interview with Grant Woods."⁸¹⁶ Aguilar stated that Husk followed up with him afterward.⁸¹⁷ When asked if the Secretary of State's involvement had increased his level of concern, Aguilar stated: "No, at this point I'm still okay with it, I'm a team player."⁸¹⁸

In July 2010, Arizona Secretary of State Ken Bennett announced that he had decided to refer the Fiesta Bowl investigation to the Arizona Attorney General, as reported in an article in *The Arizona Republic* on July 16, 2010.⁸¹⁹

After learning that the Secretary of State had referred the Fiesta Bowl allegations to the Arizona Attorney General, Husk and William Hardin, an attorney at the Osborn Maledon firm, exchanged emails discussing what they believed the Bowl's strategy should be with

⁸¹⁴ Aguilar 2-1-11 Int. at 13; Aguilar 11-24-10 Int. at 7; Simental 1-13-11 Int. at 5; Keogh 1-13-11 Int. at 12.

⁸¹⁵ Aguilar 11-24-10 Int. at 7-8.

⁸¹⁶ Aguilar 11-24-10 Int. at 7.

⁸¹⁷ Aguilar 11-24-10 Int. at 7-8.

⁸¹⁸ *Id.* at 8.

⁸¹⁹ R01568-1569.

respect to the Attorney General investigation.⁸²⁰ On Saturday, July 17, 2010, Hardin sent Husk an email with a number of draft "talking points" they could use to convince the Attorney General that the office should refuse to accept the referral from the Arizona Secretary of State.⁸²¹ Husk responded on July 18, suggesting that they set up a meeting to discuss strategy going forward. With respect to Grant Woods' ongoing role, Husk wrote:

I am not inclined to include Grant in these meetings unless you think it is necessary. At this point I think the client is best served by having Grant play the role of "independent investigator" versus legal advocate for the Bowl. However, I still want to keep him involved and under control in other areas.⁸²²

Hardin replied that he agreed with Husk's thoughts "about the meeting and Grant's role."⁸²³

On July 23, Duane Woods sent a memorandum to the Fiesta Bowl Board of Directors and to the Fiesta Bowl Committee, informing them of the Secretary of State's decision.⁸²⁴ In this memorandum, Duane Woods wrote:

Approximately one month ago, Gary Husk and I met with the Secretary of State and his staff to provide access to all the documents for their review. I was clear with the Secretary of State that the Executive Committee had performed an independent investigation, hiring a knowledgeable and credible counsel in Grant Woods, to

⁸²⁰ R01904-06.

⁸²¹ *Id.*

⁸²² *Id.*

⁸²³ *Id.*

⁸²⁴ R00599-600.

conduct the investigation and that we had not found any evidence to support the allegations. We provided full transparency and access for their investigation, including their access to Bowl staff. During the course of their investigation they found nothing more than did Grant Woods to [sic] would substantiate the claims made by former employees.⁸²⁵

7. The Special Committee is formed

At some point around the time of the first investigation, Keogh said she spoke to former Board Chair and former Board member Ellie Ziegler about the fact that the Fiesta Bowl reimbursed employees for political contributions.⁸²⁶ Keogh said she did not intend Ziegler to act on this information.⁸²⁷ Rather, Keogh explained, she was good friends with Ziegler's niece and had come to think of Ziegler as a confidant.⁸²⁸ Keogh said she had mentioned the campaign-contribution reimbursements in a casual conversation with Ziegler that included other comments about her then-disillusionment with her work at the Bowl.⁸²⁹ Ziegler confirmed that Keogh had told her that she had been reimbursed for campaign contributions and that Keogh thought Grant Woods' questions had been asked so narrowly that it was possible to answer them truthfully without revealing that she had been reimbursed.⁸³⁰ Ziegler did not report discussing Keogh's statements with anyone.⁸³¹

⁸²⁵ *Id.*

⁸²⁶ Keogh 1-13-11 Int. at 1-2.

⁸²⁷ *Id.* at 2.

⁸²⁸ *Id.* at 1-2.

⁸²⁹ *Id.* at 2.

⁸³⁰ Ziegler 1-5-11 Int. at 7.

⁸³¹ *Id.*

Months later, Keogh reported her concerns to the current Chairman of the Board, Duane Woods.⁸³² Woods recalled that in September 2010 Keogh came to his office to make a delivery.⁸³³ He remembered Keogh appeared "stressed" and told him she had some issues to discuss, so the two went into his office and closed the door.⁸³⁴ Woods recalled, "I clearly remember Kelly saying something to the effect that 'I've come to the conclusion that you and Alan don't know what's going on – we *have* been reimbursed for our campaign contributions and you don't know about it.'"⁸³⁵

Duane Woods said that he told Keogh that he would make sure she was protected.⁸³⁶ He said he asked her to slow down and to tell him everything she knew:

She then told me how it worked. She indicated that they would write checks, they were told to write checks for different politicians, and then they would always be reimbursed. . . . They were told upfront that they would get their money back. I asked her if she still had checks, etc., you know, to prove it. . . . I asked her what she had told Grant Woods. I clearly remember she said "I felt like I was very coached". . . . I have never seen her so stressed about anything and she was very stressed about this.⁸³⁷

Keogh said she went to Duane Woods because she had great respect for him and she saw that he was out there defending the Fiesta Bowl without understanding what she knew to be true.⁸³⁸

⁸³² Keogh 1-13-11 Int. at 2.

⁸³³ D. Woods 12-16-10 Int. at 3.

⁸³⁴ *Id.*

⁸³⁵ *Id.*

⁸³⁶ *Id.*

⁸³⁷ D. Woods 12-16-10 Int. at 3.

⁸³⁸ Keogh 1-13-11 Int. at 2.

Keogh stated, "I personally believed he really didn't have any idea that there was a cover-up or that he was being snowed. . . . I felt that he should have the truth, and quite frankly – if I get fired, I get fired."⁸³⁹

After speaking with Keogh, Woods said he called Alan Young, who told Woods he knew nothing about Keogh's allegations.⁸⁴⁰ Woods also called Craig Williams, the Fiesta Bowl's General Counsel and a partner at the law firm of Snell & Wilmer, for advice.⁸⁴¹ Williams and his partner Goldfine met with Woods and suggested that a second investigation be conducted.⁸⁴² Goldfine recalled that they discussed the formation of a special committee of the Board, selecting lawyers for the special committee and what the committee's charge should be.⁸⁴³

Duane Woods then called a meeting of the Board's Executive Committee:

We held the emergency executive meeting and I informed them that I had received credible information that reimbursements for political contributions had in fact occurred and we need to address it. I described the facts that Kelly had relayed to me and that this was as serious as it could get.⁸⁴⁴

As noted above, on October 8, 2010, the Board passed a resolution empowering a Special Committee. In the following weeks,

⁸³⁹ *Id.*

⁸⁴⁰ D. Woods 12-16-10 Int. at 3.

⁸⁴¹ Williams 1-20-11 Int. at 4.

⁸⁴² Goldfine Int. at 4-5.

⁸⁴³ *Id.* at 5.

⁸⁴⁴ D. Woods 12-16-10 Int. at 4.

during which the Special Committee undertook a competitive process for the selection of counsel, Snell & Wilmer attorneys:

- Sent out a notice to all employees directing that they preserve documents;
- Spoke to both Grant Woods and Husk to inform them that they were suspended from working on the Bowl's behalf and to inform them that they should preserve documents;
- Spoke at an all-employee meeting to discuss the retention of counsel and payment of attorneys fees for employees; and
- Retained a consultant, Navigant, to make a forensic copy of all electronic data.⁸⁴⁵

Goldfine said that in October 2010 he also met with Grant Woods and reviewed his files.⁸⁴⁶ Goldfine said that initially Woods was not present when he first arrived and began reviewing the files.⁸⁴⁷ Goldfine recalled that he did not find things he expected to find in Woods' files, including notes from interviews.⁸⁴⁸ He remembered that Woods arrived about an hour after Goldfine began the file review and that Goldfine then asked Woods why there were no notes of interviews.⁸⁴⁹ Goldfine said Woods told him that if the notes existed, Husk would have them.⁸⁵⁰ Goldfine also recalled

⁸⁴⁵ Goldfine Int. at 5-6; *see also* R02761; R02762-64.

⁸⁴⁶ *Id.* at 7.

⁸⁴⁷ *Id.*

⁸⁴⁸ *Id.*

⁸⁴⁹ *Id.*

⁸⁵⁰ *Id.*

asking Woods how he chose which individuals to interview and said that Woods told him Husk had selected them.⁸⁵¹

Duane Woods said that the first time he had understood the extent of Husk's involvement in the first investigation was when Keogh came to speak to him in September 2010.⁸⁵² "In retrospect now, I wouldn't have had him, Gary Husk, involved at all, because Craig Williams was our lawyer," he stated.⁸⁵³ Duane Woods said that in October 2010, when the Board was acting on Snell's recommendation to form a special committee, he had asked Williams and Goldfine why they had not come to him first with this recommendation.⁸⁵⁴ According to Duane Woods, Williams and Goldfine said that they should have brought their concerns to the Board.⁸⁵⁵

E. Expenditures by the Bowl

We have analyzed in some detail (as set forth below) the available information regarding the expenses of five top Bowl executives (Junker, Wisneski, Blouin, Schoeffler and Fields) over the

⁸⁵¹ *Id.* Grant Woods also provided some conflicting information on whether Goldfine had provided him notice of the allegations of pre-screening by Husk in advance of Woods' first meeting with the Special Committee. Compare G. Woods 11-23-10 Int. at 4 with G. Woods 1-12-11 Int. at 3.

⁸⁵² D. Woods 12-16-10 Int. at 3.

⁸⁵³ *Id.* at 4-5.

⁸⁵⁴ *Id.*

⁸⁵⁵ *Id.*

past 10 years.⁸⁵⁶ We also have considered a number of other payments, including payments to consultants.⁸⁵⁷

We have not, however, analyzed every Fiesta Bowl expenditure, nor have we examined each expenditure made by the above-described individuals since 2000. Because the review of Fiesta Bowl expenses does not purport to be exhaustive, this Report, including any and all data set forth herein, should not be used as a basis on which to create or modify tax returns. Preparing or amending the Fiesta Bowl's tax returns was not part of the Special Committee's charge and doing so will require the additional rigor associated with such an endeavor.

1. Fiesta Bowl expense procedures

Junker and several other senior Fiesta Bowl employees made many, although certainly not all, of their Fiesta Bowl-related purchases using their personal American Express or other credit cards. Fiesta Bowl executives would also sometimes pay expenses in cash and then submit expense reports for reimbursement by the Bowl. Junker's annual reimbursed American Express and expense report expenses over the period 2001 to 2010 ranged from \$241,089 to a high of \$770,865.⁸⁵⁸

In Junker's 2003 performance review, then-Board Chair Leon Levitt suggested that Junker should focus on improving internal controls:

⁸⁵⁶ Schedules F, H, I, J, and K.

⁸⁵⁷ Counsel to the Special Committee expresses no opinion on whether these are ultimately appropriate expenditures for the Bowl, but rather includes the analyses below for discussion purposes.

⁸⁵⁸ Schedule F.

Pay a little more attention to the inside of the business. No one — and I mean no one — is better than you with respect to how we treat our external customers. But nothing can bring down an organization quicker than sloppy internal controls. If you do not have the time then better utilize your CFO and controller. Transfer your authority to them in matters of policies and procedures. They are there to protect you and the bowl.

Continue to develop stronger internal financial controls. Make sure we are complying with all tax regulations (cars, country clubs...). Specifically implement stronger expense reimbursement procedures and make sure everyone files expense reports, on time, with proper documentation. Establish a proper approval authority chain with limits. The most senior level employee should be required to pick-up all Fiesta Bowl reimbursable expenses. The chairman should sign off on the CEO expenses, and the CFO should approve chairman expense reimbursement requests.⁸⁵⁹

While there may have been certain improvements in internal controls over the years, few of Levitt's suggestions were rigorously followed.

Fiesta Bowl Controller Holt described the widespread practice of having executives pay for items on their American Express card or other personal credit cards.⁸⁶⁰ Holt said that the Fiesta Bowl would pay the credit card statement, and then attempt to determine to which account items should be charged back to the employee — a process that she said results in lax procedures that are easy to take advantage of.⁸⁶¹

⁸⁵⁹ R00601.

⁸⁶⁰ Holt 11-30-10 Int. at 4.

⁸⁶¹ *Id.*

Holt stated that, until recently, certain executives would submit their entire credit card bills to the Bowl, the Bowl would pay the credit-card bills in full, and then the employee would reimburse the Bowl for personal items.⁸⁶² As Holt explained, "They would submit their monthly American Express bill and we would pay the whole thing up front, the total amount, and then we would go through and try to figure out what was personal and they would have to pay that back."⁸⁶³ She identified the current employees who routinely followed this practice as Junker, Fields, and Martin.⁸⁶⁴ Although the Fiesta Bowl recently changed its practice and now requires that individuals code their business expenses before submitting their entire American Express statements, Holt noted that the Bowl still pays Junker's full American Express bill, and Junker later reimbursed the Bowl for personal expenses.⁸⁶⁵ Bonnie Ciszczon, a staff accountant at the Fiesta Bowl, confirmed that Junker's American Express statements, which typically contained both personal and business items, were always paid in full by the Fiesta Bowl.⁸⁶⁶

Ciszczon described the following procedure: "Every month I would reconcile the receivable account and would personally walk around to each employee and personally advise them of their expenses and if needed, show them the outstanding documentation."⁸⁶⁷ When asked if she approached Junker on a monthly basis, Ciszczon responded:

⁸⁶² Holt 11-30-10 Int. at 6.

⁸⁶³ *Id.*

⁸⁶⁴ *Id.*

⁸⁶⁵ *Id.* (This interview was conducted before Junker was placed on administrative leave.)

⁸⁶⁶ Ciszczon Int. at 4.

⁸⁶⁷ Ciszczon Int. at 6.

I would try the best I could, sometimes it'd be a month and a half before I'd have the opportunity to talk to him. But on a monthly basis I would explain the expenses or leave documentation that would clearly show the outstanding amount. After a few months without a response, I would then go to Natalie and advise her of John's current receivable balance.⁸⁶⁸

Ciszczon recalled that in the past Junker's receivables may have been as high as \$25,000 to \$30,000 over a timeframe of approximately six to eight months.⁸⁶⁹ According to Ciszczon, Junker would sometimes apply some of the expense-reimbursement money he was owed to his outstanding receivables balance to reduce it.⁸⁷⁰ Holt also noted that Junker has enjoyed "a large float" on his American Express bill, which she said amounted to a personal interest-free loan until Junker repaid his personal expenses.⁸⁷¹ Holt further noted that the Bowl had no collateral or protections to guarantee Junker's repayment of the amounts.⁸⁷²

Holt noted that going through Junker's American Express account is particularly "taxing" for her.⁸⁷³ Holt said that she and Wisneski review Junker's statement, which regularly totaled over several thousand dollars.⁸⁷⁴ During the analysis, we found that the average monthly business related expenses totaled approximately \$37,500, with the highest monthly new charges noted in December

⁸⁶⁸ *Id.*

⁸⁶⁹ *Id.*

⁸⁷⁰ *Id.*

⁸⁷¹ Holt 11-23-10 Int. at 4.

⁸⁷² *Id.*; see also Ciszczon Int. at 6.

⁸⁷³ Holt 11-30-10 Int. at 7.

⁸⁷⁴ *Id.*

2005 totaling approximately \$348,000.⁸⁷⁵ Expenses were coded by Keogh to various Fiesta Bowl account codes, with handwritten notations indicating what the expense is for.⁸⁷⁶ According to Holt: "Natalie [Wisneski] and I go through it and look for receipts, but he is just not very good at all that — it is usually left to us."⁸⁷⁷

Wisneski also found it problematic that Junker often provided few or no receipts for items on his American Express statements.⁸⁷⁸ Wisneski noted that expenses on Junker's expense reports (generally for cash expenditures) also are sometimes missing receipts.⁸⁷⁹ Wisneski gave two examples. She said that Junker might list "caddy fees" for \$250 and not have any receipts, or list "taxi" as an expense but the bill will be over \$200.⁸⁸⁰

Holt was asked if she ever told Junker that receipts were required.⁸⁸¹ Holt responded that she did not think she had the authority to question Junker.⁸⁸² Wisneski stated that she reviewed Junker's expenses and that when she went to him to request receipts or clarification of an expense, she typically did not succeed in getting the information requested.⁸⁸³ She noted that if there was a large

⁸⁷⁵ E01406.

⁸⁷⁶ Wisneski 12-9-10 Int. at 5; *see, e.g.*, E01936-49.

⁸⁷⁷ Holt 11-30-10 Int. at 7; *see also* Keogh 11-22-10 Int. at 12 (noting that Junker doesn't keep many receipts).

⁸⁷⁸ Wisneski 12-9-10 Int. at 4-5.

⁸⁷⁹ *Id.*

⁸⁸⁰ *Id.*

⁸⁸¹ Holt 11-30-10 Int. at 7.

⁸⁸² *Id.*

⁸⁸³ Wisneski 12-9-10 Int. at 5.

amount, such as a hotel bill, and Wisneski asked Junker for a receipt, it "rub[bed] him the wrong way."⁸⁸⁴

Junker acknowledged that he is not very familiar with the Fiesta Bowl's reimbursement procedures and said that he trusted Keogh to maintain an accurate accounting of his expenditures.⁸⁸⁵ He explained that Keogh went through his American Express statement and coded expenses that were easily recognized as being business expenses.⁸⁸⁶ He then personally reviewed the statement in an effort to identify personal expenses.⁸⁸⁷ Junker stated that once personal expenses were identified, he wrote a check for the amount owed for personal expenses and zeroed out the balance.⁸⁸⁸

Junker appeared surprised to learn that his personal expenses often carried over from month to month: "I do have expenses and it's possible that it has [carried over] but nobody has ever told me to pay my personal expenses and I failed to pay."⁸⁸⁹ It is not clear who would have both the authority and the knowledge to instruct him to pay. Junker emphasized that during recent years, accountability with respect to personal expenditures has "tightened up" and stated that all employees are more accountable today.⁸⁹⁰

Chris Conaway, a senior accountant who joined the Fiesta Bowl in March 2010, stated that in the time he has been with the Bowl, Junker has paid his accounts receivable on a monthly basis.⁸⁹¹

⁸⁸⁴ *Id.*

⁸⁸⁵ Junker 1-11-11 Int. at 23; Junker 1-31-11 Int. at 18.

⁸⁸⁶ Junker 1-11-11 Int. at 23.

⁸⁸⁷ *Id.*

⁸⁸⁸ *Id.*

⁸⁸⁹ *Id.*

⁸⁹⁰ *Id.*

⁸⁹¹ Conaway Int. at 6.

Conaway stated that because Junker's turnaround in the past year has been quick, the float is short term and he would not view it now as tantamount to an interest-free loan.⁸⁹² When shown documents from prior years, however, Conaway noted that at the end of 2009, for example, Junker had a balance to catch up on.⁸⁹³

In discussing the expense procedures at the Bowl, Conaway noted that a number of the expenditures on Junker's American Express card could be invoiced to the Fiesta Bowl and paid directly to the Bowl.⁸⁹⁴ He explained that the process of having a vendor invoice the Bowl directly provides a better paper trail than paying with a personal credit card and submitting a request for reimbursement.⁸⁹⁵ Conaway further noted that if business expenses are going to be charged on a credit card, then employees should use a "P-Card," which he described as a corporate credit card to use for business purposes only.⁸⁹⁶

In the review of the American Express statements and expense reimbursement forms, we discovered the following example of how a practice of submitting for reimbursement without a receipt can lead to an apparent reimbursement error. In November 2005, Junker purchased 36 floral arrangements totaling \$2,565.03 from a company called "Ranch of the Golden Hawk."⁸⁹⁷ Junker stated that the company is an exotic flower farm and is owned by a Fox network executive.⁸⁹⁸ Junker apparently paid with his personal

⁸⁹² *Id.*

⁸⁹³ *Id.* See R02571-74.

⁸⁹⁴ *Id.* at 3.

⁸⁹⁵ *Id.*

⁸⁹⁶ *Id.*

⁸⁹⁷ E03332.

⁸⁹⁸ Junker 1-31-11 Int. at 13.

CitiAdvantage credit card on November 29, 2005.⁸⁹⁹ An expense report was filled out for Junker seeking reimbursement for this payment but with no receipt, only the credit card statement.⁹⁰⁰ That expense report identified "Ranch of the Golden Hawk" as "hotel" for "JJ, SS and AA" for the purpose of "Team Selection, ND v. Stanford."⁹⁰¹

Ranch of the Golden Hawk sent an invoice to Junker at his Fiesta Bowl address, and another expense reimbursement form was then submitted, this one listing the flower arrangements as "thanksgiving gifts for coaches, ADs, commissioners, etc."⁹⁰² When reviewing a spreadsheet showing these two reimbursements, Junker said it appeared as though there had been a coding error listing for the Ranch of the Golden Hawk entry.⁹⁰³ In this particular instance, the practice of allowing reimbursement without a receipt (and permitting an assistant to guess as to the purpose of an expense) appears to indicate that Junker was reimbursed twice.

In his interview with counsel to the Special Committee, Conaway brought up a recent example of an expense he believed was not sufficiently supported by backup documentation.⁹⁰⁴ He said the Fiesta Bowl made a bulk purchase of gift cards from Nordstrom's and the Phoenician Hotel Resort.⁹⁰⁵ As an accountant, Conaway said, he needs to know who the gift cards are given to in order to decide how they should be treated for tax purposes.⁹⁰⁶ For example, he

⁸⁹⁹ E03334.

⁹⁰⁰ E03333.

⁹⁰¹ *Id.*

⁹⁰² E03330.

⁹⁰³ Junker 1-31-11 Int. at 14.

⁹⁰⁴ Conaway Int. at 2.

⁹⁰⁵ *Id.*

⁹⁰⁶ *Id.*

explained, if a gift card is given to an employee, it may need to be taxed like a bonus.⁹⁰⁷ If, however, the gift cards are used for clients, then Conaway said he would treat them like any other business expense.⁹⁰⁸ Ultimately, he said, it would be easiest to determine how the gift cards should be accounted for if he had the names of the recipients, but Conaway said he had thus far been unsuccessful in his attempts to track down this information from Fiesta Bowl employees.⁹⁰⁹ Conaway stated that in his view, the Finance Department at the Bowl is sometimes treated more like a nuisance than an important safeguard by the Bowl staff and that he would like to see the Department have more clout.⁹¹⁰

2. Expense account analysis

a. How the analysis was performed

We reviewed the available⁹¹¹ American Express statements and expense reports for five top executives — John Junker, Natalie Wisneski, Shawn Schoeffler, Doug Blouin and Jay Fields — since April 1, 2000. Information from these statements and expense reports was entered into spreadsheets for each individual, for each fiscal year ending March 31 (to coincide with the Fiesta Bowl's fiscal year). Information from the American Express statements included the date, dollar amount and vendor for each transaction. For certain transactions, the statement contained additional information, such as arrival and departure dates for hotel stays and names of passengers

⁹⁰⁷ *Id.*

⁹⁰⁸ *Id.* at 3.

⁹⁰⁹ *Id.*

⁹¹⁰ *Id.* at 6.

⁹¹¹ While we had nearly all of Junker's American Express statements, the information available to us with respect to the other individuals was not nearly as complete. See Schedule G.

associated with the purchase of airline tickets. When available, this information was also entered into the spreadsheets we prepared.

In addition to information provided by American Express, many of the American Express statements and expense reports contained handwritten information provided by Fiesta Bowl employees, including the Fiesta Bowl account number to which the expense was coded and sometimes a description/purpose of the transaction being reimbursed by the Bowl. When available, these handwritten notations were included on the spreadsheets.

b. Categorization by subject matter

First, we classified each transaction as falling into one of the following thirteen categories:

1. Bowl Games/Other Events
2. Board of Directors
3. Cell Phone
4. Donations/Contributions
5. Dues/Subscriptions
6. Frolic
7. Gifts
8. Golf
9. Meals
10. Political
11. Tickets
12. Travel
13. Other

We used the following criteria to determine how to categorize each expense:

Bowl Games/Other Events: This category includes expenditures specifically identifiable with one of the Bowl games or another Bowl event. This category includes, for example, expenses incurred during Bowl games, such as media hotel charges, police escorts, and team meals, as well as expenses incurred for media-related events.

Board of Directors: This category includes gifts given to Board members, trips taken by Board members (except for scouting, VIP, or dignitary trips), and expenditures specifically related to a Board meeting, retreat or workshop. General meals in which Fiesta Bowl employees and Board members discuss planning or upcoming Board meetings are not included in the Board of Directors category, but rather are in the meals category. Travel expenditures related to board members who went on scouting, VIP, or dignitary trips are not included in the Board of Directors category, but are included in the travel category.

Cell Phones: This category primarily includes expenditures related to the purchase of cell-phone accessories.

Donations/Contributions: This category includes expenditures that were coded by the Bowl, or described in writing by the Bowl, as being donations or contributions.

Dues/Subscriptions: This category includes expenditures related to subscriptions for various publications, including newspapers, magazines and online periodicals, internet service, cable, satellite television, OnStar service plans, and American Express annual dues.

Frolic: This category includes expenditures specifically related to the Fiesta Frolic, an annual spring event for college football coaches and athletic directors from all Football Bowl Subdivision conferences, which is now referred to as the Spring Football

Seminar.⁹¹² The expenses in this category include, for example, golf, transportation, lodging, and prizes/gifts. Expenditures related to meals that generally discuss Frolic planning are not included in the Frolic category, but are instead included in the meals category.

Gifts: This category primarily includes expenditures that were coded by the Bowl, or described in writing by the Bowl, as being gifts. The only gifts that are not included in this category are gifts to Directors, Frolic gifts, political gifts and tickets, all of which are included under other categories.

Golf: This category primarily includes expenditures specifically related to golf and golf memberships, with the exception of Frolic golf (which is included in the Frolic category). In most cases, meals at golf courses are not included in the golf category, but are included in the meals category. However, if it was difficult to determine whether an expenditure at a golf course was actually for golf, food, or beverages, the expenditure was put into the golf category.

Meals: This category primarily includes expenditures related to meals, including meals while traveling. Food provided to football players participating in the various Bowl games, however, is categorized in the bowl games/events category.

Political: This category primarily includes expenditures related to gifts given to politicians, travel for politicians and their guests, and other expenses related to legislative trips paid for by the Fiesta Bowl. This category also includes catering costs for political events paid for by the Fiesta Bowl.

Tickets: This category primarily includes tickets to sporting events and concerts. It does not include airline tickets, which are categorized under travel.

⁹¹² Guerra Int. at 3.

Travel: This category primarily includes airfare, lodging, car rental, and miscellaneous travel expenditures. This category also includes some lodging in the Phoenix metropolitan area for Fiesta Bowl out-of-town guests. As noted above, meals incurred while traveling are included in the meals category.

If there was a question as to how an expenditure should be categorized, we used the account number to which the expense had been coded by the Bowl⁹¹³ for additional assistance in making the determination.

c. Determination of whether expenses are appropriate business expenses

After all transactions were sorted by category, the financial analysts placed each expense into one of four general areas:

- Potentially Personal Fiesta Bowl Expenditures
- Potentially Inappropriate Fiesta Bowl Expenditures
- Undetermined Fiesta Bowl Expenditures
- Potentially Appropriate Fiesta Bowl Expenditures

Our analysis is for discussion purposes only; it contains a number of limitations and should not be used as a definitive determination that any given expense is personal, appropriate or inappropriate, including, without limitation, for purposes of preparing or amending any tax return.

Several caveats apply to this analysis. First, the determinations rely primarily on Fiesta Bowl employees' handwritten descriptions and assume that these descriptions are accurate. American Express statements for the earlier years include fewer written descriptions than do statements from more current time periods. Second,

⁹¹³ E09350-73.

although we tried to familiarize ourselves with the numerous names mentioned in the handwritten descriptions, we were not able to determine the significance of each individual mentioned to the Fiesta Bowl's business. Third, in many cases the handwritten descriptions are difficult to read, further limiting our understanding of the purpose of the expenditure. Finally, although we asked some witnesses to shed further light on some of these expenses, in the interests of time and scarcity of resources, we have not done so with respect to the majority of Fiesta Bowl expenditures; thus there may well be explanations for certain items that would be uncovered in a more fulsome analysis.

We used the following guidelines in classifying the expenses:

Potentially Personal: We classified expenditures as "Potentially Personal" if a clear or justifiable business purpose is not apparent and the expenditure directly benefited the individual being analyzed. Examples of expenditures classified as "Potentially Personal" include airfare and travel expenses for spouses and other family members, newspapers and magazines purchased while traveling, cable or satellite television for an individual's home, home internet services, and subscriptions to financial publications.

Potentially Inappropriate: We classified expenditures as "Potentially Inappropriate" if a clear or justifiable business purpose is not apparent.⁹¹⁴ For example, we classified non-travel related meals involving only internal Fiesta Bowl staff as "Potentially Inappropriate." Although certain of these internal meals may well be justified business expenses, the volume of such meals persuaded us to classify all of them as "Potentially Inappropriate." Likewise, we classified the many gifts given to Fiesta Bowl staff as "Potentially

⁹¹⁴ Those items classified as "Potentially Personal" are also likely inappropriate; the "Potentially Inappropriate" category, however, excludes those already classified as "Potentially Personal."

Inappropriate," even though a more limited number of small gifts might well be appropriate. Other examples of expenditures classified as "Potentially Inappropriate" include gifts to politicians and expenses in conjunction with Jurker's 50th birthday party at Pebble Beach.

Undetermined: We classified expenditures as "Undetermined" primarily because more information is needed to make determinations regarding appropriateness. In many cases, a clear or justifiable business purpose is not apparent, but additional information might show the presence or absence of such a purpose. In other cases, a clear or justifiable business purpose may be apparent, but the volume or excessiveness of certain expense reimbursements calls into question the reasonableness of these transactions taken as a whole. Following are examples of the types of expenditures that we classified as "Undetermined":

- Seemingly excessive expenditures on items that otherwise may be appropriate such as hotel expenses greater than \$500 per night, air fare greater than \$1,500, and high-dollar limousine charges.
- Numerous gifts and tickets given to non-Fiesta Bowl employees⁹¹⁵ such as conference officials, athletic directors, coaches, and sponsors. Gifts given to football players participating in the games, gifts given as memorials and tickets to other BCS bowl games were all classified as "Potentially Appropriate."

⁹¹⁵ As noted above, gifts to Fiesta Bowl employees were all classified as "Potentially Inappropriate."

- Expenditures related to "VIP" or "Dignitary" trips because we lack sufficient information about the business purpose of the trip and the Fiesta Bowl spends a significant amount of money on these trips. We classified certain trips taken by Junker as "Undetermined" based upon information discovered during the investigation that called into question whether these trips had a legitimate business purpose. Trips related to Fiesta Bowl staff workshops have also been classified as "Undetermined" because, although business meetings were held during these trips, one or more of the individuals whom we interviewed questioned the nature and extent of the expenditures.
- A number of expenditures for meals, including (1) meals involving Junker and certain consultants and/or independent contractors, (2) staff workshop meals, and (3) meals incurred while traveling on trips with a questionable business purpose.
- Food and beverage reimbursements related to suites used during the Bowl games are classified as "Undetermined" if the occupants of the suite are not known.
- Food and beverage reimbursements related to the Arizona Diamondbacks suite are classified as "Undetermined" due a lack of clarity as to the business purpose of the suite.

All expenditures that were not classified as "Potentially Personal," "Potentially Inappropriate," or "Undetermined" were classified as "Potentially Appropriate" Fiesta Bowl expenditures.

d. What the expense account analysis shows

A top level summary of the analysis of Junker's American Express statements and expense reports is set forth in the chart below and on Schedule F. Information for the other executives is set forth on Schedules H through K.

John Junker Reimbursement Summary by Year and Category FY 3-31-2001 to 3-31-2011					
Fiscal Year Ending	Potentially Personal	Potentially Inappropriate	Undetermined	Potentially Appropriate	Total
3-31-11 (Partial)	\$ 7,102	\$ 12,121	\$ 67,400	\$ 96,323	\$ 182,945
3-31-10	\$ 16,354	\$ 21,568	\$ 186,438	\$ 168,831	\$ 393,191
3-31-09	\$ 20,928	\$ 44,112	\$ 232,627	\$ 114,188	\$ 411,856
3-31-08	\$ 9,738	\$ 38,834	\$ 163,968	\$ 192,235	\$ 404,768
3-31-07	\$ 23,785	\$ 50,368	\$ 428,903	\$ 142,687	\$ 645,743
3-31-06	\$ 11,750	\$ 24,763	\$ 254,182	\$ 480,172	\$ 770,865
3-31-05	\$ 7,199	\$ 17,307	\$ 85,417	\$ 131,166	\$ 241,089
3-31-04(a)	\$ 10,058	\$ 3,589	\$ 110,063	\$ 266,511	\$ 390,220
3-31-03(a)	\$ 9,127	\$ 14,017	\$ 433,121	\$ 300,463	\$ 756,728
3-31-02(a)	\$ 9,117	\$ 925	\$ 152,389	\$ 111,877	\$ 274,307
3-31-01(a)	\$ 7,206	\$ 245	\$ 150,550	\$ 226,966	\$ 384,968
Total	\$ 132,355	\$ 227,849	\$ 2,265,058	\$ 2,231,419	\$4,856,680
Percentage	3%	5%	47%	46%	100%
<p>(a) Written descriptions, including names of participants, were not available for many of the items in these statements and expense reports. In many cases, expenses without adequate descriptions were classified as Potentially Appropriate, which may result in overstatement of the Potentially Appropriate category and also limits the overall strength of the analysis. Complete expenses for 2011 are not available at the time of this writing.</p>					

At the request of the Special Committee's counsel, Junker reviewed a compilation of his American Express statements over the past decade. After reviewing these statements, Junker stated, "I paid careful attention to the items and the highlighted areas and I have come to the conclusion that I have conducted myself sensibly and responsibly."⁹¹⁶

In addition to reviewing the Junker expenses, we also reviewed the available American Express statements and expense reports of Fields, Wisneski, Schoeffler and Blouin. The analyses of these expenses are set forth at Schedules H, I, J, and K. The data for these individuals was not as complete as that for Junker. A chart showing the available American Express data for these individuals is set forth at Schedule G.

In the following sections, we discuss various types of Bowl expenses, including political expenditures, expenditures for entertainment and relationship building, expenditures on employees for perks, gifts, travel and severance packages, and expenditures on consultants and independent contractors.

3. Political expenditures

In addition to the campaign-contribution reimbursements discussed above, the analysis showed that the Fiesta Bowl made additional expenditures that provided either direct or indirect benefits to certain politicians. Some examples are noted below.

a. Legislative trips

For at least the past five years, the Fiesta Bowl has taken certain Arizona legislators on an annual out-of-town trip to a college football game.⁹¹⁷ As part of these "dignitary trips," the Fiesta Bowl

⁹¹⁶ Junker 1-31-11 Int. at 7.

⁹¹⁷ R01570-74; R01927-36; Schedule L.

paid for travel for legislators to fly to cities such as Boston, Chicago, and Atlanta, host an hour-long educational meeting, provide them tickets to the game, and pay for lodging at top hotels such as the Ritz-Carlton.⁹¹⁸ The legislators' family members often accompanied the legislators on such trips and, in many instances, the Fiesta Bowl apparently paid for the family members' trips as well.⁹¹⁹

These trips were normally organized by Fiesta Bowl employees along with Husk.⁹²⁰ According to Chuck Coughlin, one of the Bowl's public affairs consultants, Junker and Husk were "responsible for picking the majority of the persons who would go."⁹²¹ Keogh described Husk's role: "Gary would spread the word by mouth about the trip invites, the flights, the nice dinners, and the nice hotels."⁹²² Christine Martin, Director of Team Services, stated that, in creating the invite list, Husk would indicate to her which politicians should be invited, and Martin would then okay this list with Junker.⁹²³ Martin and Keogh assisted with the logistics of the trips: Martin compiled attendee lists and itineraries,⁹²⁴ while Keogh booked airline tickets.⁹²⁵

Aguilar stated that the purpose of the trips was educational, to expose legislators to college football and the importance of the Bowl

⁹¹⁸ See R01574; R01571; R01928; Keogh 11-22-10 Int. at 11; C. Martin Int. at 4-6.

⁹¹⁹ Schedule L.

⁹²⁰ See Coughlin Int. at 8; Keogh 11-22-10 at 11; C. Martin Int. at 5; R02765; R02766-68.

⁹²¹ Coughlin Int. at 8.

⁹²² Keogh 11-22-10 Int. at 11.

⁹²³ C. Martin Int. at 5.

⁹²⁴ C. Martin Int. at 4.

⁹²⁵ Fields 11-24-10 Int. at 6.

to Arizona and various cities.⁹²⁶ Former Board Chair Allen also stated that the purpose of the trips was "to educate and provide information," and to help attendees "learn what college football is like."⁹²⁷

Coughlin stated that it was valuable to have members of the Conference meet with legislators: "It's a way to educate them on what a competitive environment it is. It is always a fun trip, but they do learn a lot about the importance of being competitive."⁹²⁸ In Coughlin's edits to his interview statement, he wrote:

The trips were an integral part of educating elected officials on the economic significance of the bowl games and how they existed in an extremely competitive environment. It is human nature to take for granted that which you already have and not to be grateful for the opportunities you have been given. The trips were a significant way to remind policy makers of how economically important the games are to Arizona's economy and to ensure that our place in the BCS rotation not be taken for granted. That which has been granted to our State can easily be taken away.⁹²⁹

Junker made similar comments.⁹³⁰

According to Martin, however, these trips could have been done locally, without the expense of airfare and the Ritz-Carlton.⁹³¹ "They aren't necessary at all," she stated.⁹³²

⁹²⁶ Aguilar 11-24-10 Int. at 10.

⁹²⁷ Allen 12-8-10 Int. at 2-3.

⁹²⁸ Coughlin Int. at 8.

⁹²⁹ Coughlin Int. at 10 (redline).

⁹³⁰ Junker 1-31-11 Int. at 2-3.

⁹³¹ C. Martin Int. at 6.

During the investigation, we identified at least seven trips in which Fiesta Bowl employees traveled out-of-state with politicians.⁹³³ Details of these trips are set forth on Schedule L; examples of several such trips are described below.

In October 2005, the Fiesta Bowl spent at least \$18,453.95 on a legislative "dignitary" trip to Chicago.⁹³⁴ On October 28-30, 2005, Aguilar, Junker and Christine Martin traveled to Chicago with Arizona State Senators Linda Aguirre, Robert Blendu, Russell Pearce, and Linda Lopez from the Arizona House of Representatives. Accompanying these legislators were family members and guests John Aguirre, Robert Blendu, Jr., Toni Lopez, Dominic Evans, and LuAnn Pearce. General Counsel and Board member Williams was also part of this trip, as were members of Husk Partners and HighGround, including Gary and Cara Husk, Doug Cole, and Chuck Coughlin.⁹³⁵

According to a trip itinerary, attendees stayed at the Ritz-Carlton hotel.⁹³⁶ Upon arriving in Chicago on a Friday, the group attended a one-hour meeting titled "Arizona's College Bowl Impact Forum" held at the Big Ten Conference's offices, which was followed by dinner.⁹³⁷ Martin explained: "We went to the conference office and did receive a PowerPoint presentation. . . . The Big 10 Conference Commissioner was present and gave a talk."⁹³⁸ Saturday's activities consisted of attending a college football game

⁹³² C. Martin Int. at 6.

⁹³³ Schedule L.

⁹³⁴ *Id.*

⁹³⁵ R01570.

⁹³⁶ R01571-72.

⁹³⁷ *Id.*

⁹³⁸ C. Martin Int. at 5.

between Northwestern and Michigan.⁹³⁹ Sunday was set aside for return travel.⁹⁴⁰

Another legislative trip took place in October 2008, when the Fiesta Bowl flew a number of legislators and certain members of their families to Boston.⁹⁴¹ Legislators attending this session included Robert Blendu, David Bradley, Rich Crandell, Linda Lopez, David Lujan, Robert Meza, Russell Pearce, Michelle Reagan, and Thayer Verschoor.⁹⁴² Blendu's grandsons attended, as did Bradley's son, Crandall's daughter, Lopez's husband, son and daughter-in-law, Lujan's brother, a guest for Meza, Pearce's wife and son, Reagan's husband and Verschoor's wife.⁹⁴³ Aguilar, Junker, Martin, Keogh, and former Board Chair Sherry Herry attended on behalf of the Fiesta Bowl, and Coughlin and Husk and their spouses came along as well.⁹⁴⁴ Finally, Doug Cole, a vice president at HighGround, and John MacDonald, a vice president at Husk Partners, traveled with the group.⁹⁴⁵

While in Boston, attendees stayed at the Copley Plaza Hotel and attended a college football game between Boston College and Virginia Tech.⁹⁴⁶ The educational function of this trip appears to have been a dinner presentation on Friday night titled "BCS Football: An Economic Engine for Arizona" featuring guest speaker, Gene

⁹³⁹ R01571-72.

⁹⁴⁰ *Id.*

⁹⁴¹ R01573

⁹⁴² *Id.*

⁹⁴³ *Id.*

⁹⁴⁴ R01573.

⁹⁴⁵ R01573.

⁹⁴⁶ R01574.

DeFilippo, the Boston College Director of Athletics.⁹⁴⁷ According to Martin, DeFilippo's presentation "was not so much educational."⁹⁴⁸ Martin explained, "We had a dinner like we always do and Gene DeFilippo spoke at the dinner. That was our training, but it was more like a welcome speech."⁹⁴⁹ Keogh further stated: "the Boston College Director came and talked to the group... you know, to fill the 'business purpose' obligation part."⁹⁵⁰

Fiesta Bowl employees' credit-card statements and expense reports show that the Fiesta Bowl paid more than \$65,000 in connection with the 2008 legislative trip to Boston:

Date	Amount	Vendor	Employee Description of Expense
09-03-08	\$ 21,330.00	U.S. Airways	Travel Air - Dignitaries Trip
10-02-08	\$ 1,615.00	BC Athletic Assoc.	Tickets - Dignitaries Trip
10-16-08	\$ 42.00	Supershuttle	Travel Car - Dignitaries Trip
10-16-08	\$ 23.66	azcentral.com	Travel F&B-Misc. News - Dignitaries Trip
10-16-08	\$ 30.00	Top Cab	Dignitaries Trip J. Junker, S. Henry
10-16-08	\$ 40.00	Boston Taxi	Dignitaries Trip J. Junker, S. Henry
10-16-08	\$ 260.00	Giacommo's Restaurant	Dignitaries Trip J. Junker, K. Keogh, C. Martin, S. Henry, A. Aguilar
10-16-08	\$ 80.00	Fairmont Copley	Dignitaries Trip J. Junker

⁹⁴⁷ *Id.*

⁹⁴⁸ C. Martin Int. at 5.

⁹⁴⁹ *Id.*

⁹⁵⁰ Keogh 11-22-10 Int. at 11.

Date	Amount	Vendor	Employee Description of Expense
10-16-08	\$ 4.00	ATM	J. Junker ATM Fee - Dignitaries Trip
10-16-08	\$ 2.00	Sovereign Bank	J. Junker ATM Fee - Dignitaries Trip
10-17-08	\$ 5,205.00	Piccolo Nido Restaurant	Travel F&B (Legislators, Staff) Dignitaries Trip
10-17-08	\$ 5.65	Au Bon Pain	Dignitaries Trip J. Junker
10-18-08	\$ 3.50	Fairmont Copley	J. Junker ATM Fee - Dignitaries Trip
10-19-08	\$ 17.57	Hudson News	Travel F&B-Misc. News - Dignitaries Trip
10-19-08	\$ 3.19	Dunkin Donuts	Travel F&B (Junker) - Dignitaries Trip
10-19-08	\$ 40.00	ExecuCar	Dignitaries Trip J. Junker
10-21-08	\$ 400.00	AZ Diamondbacks	Tickets - Dignitaries Trip
10-23-08	\$ 43.18	PHX Press Newstand	Travel F&B-Misc. (Junker) Dignitaries Trip
10-23-08	\$ 3.78	PHX Press Newstand	Travel F&B-Misc. (Junker) Dignitaries Trip
10-23-08	\$ 2.16	S3 CPK Kiosk	Travel F&B (Junker) - Dignitaries Trip
10-23-08	\$ 9.52	S3 CPK Kiosk	Travel F&B (Junker) - Dignitaries Trip
10-24-08	\$ 36,514.37	The Fairmont Copley	Travel Hotel - Dignitaries Trip
Total	\$ 65,674.58		

Junker discussed a 2009 trip to Red River Shootout (the annual Texas-Oklahoma game) at the Cotton Bowl in Dallas with legislators, and recalled that Pearce and Lopez were guests, among

"several legislators."⁹⁵¹ Junker stated, "some of them might have brought their children or grandchildren."⁹⁵² He stated that while there were many legislative trips, he believes this was a particularly important one:

The reality is that people in Arizona, anywhere but Texas and Oklahoma, don't fully understand and with due respect to our people they don't understand what this all means. The Cotton Bowl holds over 90,000 people and it's [the Red River game] a very difficult ticket to get. The City of Dallas spends millions of dollars to maintain it and they are in the middle of an eight year contract. The Stadium is split completely in half, one half for Texas and the other half for Oklahoma. You have to understand, when was the last time the State of Arizona beat the State of Texas on an economic development project? The answer is never.⁹⁵³

According to Aguilar, on at least one occasion the Fiesta Bowl took a legislator on a trip without any educational component.⁹⁵⁴ Aguilar said, "In the summer of 2009, Councilmember Arredondo from the City of Tempe requested from me or John, if he could go on a trip, so John told me to go ahead and take him. So myself, Steve Horrell, a former Board member, Ben and Ruth Ann Arredondo went to the opening day when Air Force was playing Minnesota at Minnesota's new Stadium at the University of Minnesota."⁹⁵⁵ Aguilar said the Fiesta Bowl paid for the trip to Minnesota for both Arredondo and his wife: "[W]e paid for everything, the game, the hotel, meals and the airfare."⁹⁵⁶ Aguilar said there was no

⁹⁵¹ Junker 1-31-11 Int. at 3.

⁹⁵² *Id.*

⁹⁵³ *Id.*

⁹⁵⁴ Aguilar 2-1-11 Int. at 14.

⁹⁵⁵ *Id.*

⁹⁵⁶ *Id.*

"educational" component scheduled for this trip, although Commissioner Delaney of the Big Ten shared the same suite at the game, "so they must have 'rubbed elbows.'"⁹⁵⁷

In a March 11, 2011 email to counsel to the Special Committee, Holt confirmed that she found no documentation that any of the legislators had ever reimbursed the Bowl for the expenses of the trips set forth on Schedule L.⁹⁵⁸

b. Events at the Museum and other fundraisers

In addition to providing contributions, employees and others connected with the Fiesta Bowl have supported political campaigns by coordinating and/or hosting fundraisers. On occasion, the Fiesta Bowl has paid to cater these events.⁹⁵⁹ In addition, Fiesta Bowl employees have stated that they have worked at these fundraisers.⁹⁶⁰

For example, former Board members Allen and Ellis recalled attending a fundraiser for Jim Weiers, then the Speaker of the Arizona House of Representatives, at the Fiesta Bowl Museum in December 2007.⁹⁶¹ Allen recalled that "the purpose of the event was to raise money for Mr. Weiers, but also to show Mr. Weiers around the Fiesta Bowl offices."⁹⁶² Junker's American Express statement shows a \$959.75 charge to Arcadia Farms on December 7, 2007, which was coded to account 1881.86 ("Admin: college FBall Sem.")

⁹⁵⁷ *Id.*

⁹⁵⁸ R00959.

⁹⁵⁹ E01763; E01906.

⁹⁶⁰ R00609-10.

⁹⁶¹ Allen 12-8-10 Int. at 3; Ellis 12-8-10 Int. at 3; R02731.

⁹⁶² Allen 12-8-10 Int. at 3.

for "Speaker Weiers event public sector."⁹⁶³ Arcadia Farms is a Scottsdale restaurant that also caters.⁹⁶⁴

Likewise, in January 2009, there was a fundraising event held at the Fiesta Bowl Museum for Scottsdale Mayor Jim Lane.⁹⁶⁵ Junker's American Express statement shows that the Fiesta Bowl reimbursed Junker for a \$1,186.17 charge to Arcadia Farms for "Catering for Jim Lane event."⁹⁶⁶ This entry was coded to account 86.1870, "Staff Entertainment/Meetings."⁹⁶⁷

The Museum typically rents for \$250 per night, but a review of the Fiesta Bowl's museum rental income general ledger account did not show that a rental fee was paid for any of the political events hosted at the Museum.⁹⁶⁸ Eyanson is responsible for handling rental of the Fiesta Bowl Museum space.⁹⁶⁹ Upon request, she agreed to retrieve all Museum rental contracts from October 2006, when the Museum space first became available, to the present.⁹⁷⁰ On January 11, 2011, Eyanson sent copies of all rental contracts on file, along with calendars for the Museum meeting space.⁹⁷¹ Only the event for Mayor Lane appears on the Museum calendar, and none of the rental agreements Eyanson sent to us are for a political fundraising event.⁹⁷²

⁹⁶³ E01763; E09392; E09399.

⁹⁶⁴ R00603.

⁹⁶⁵ R00609.

⁹⁶⁶ E01906.

⁹⁶⁷ E09409.

⁹⁶⁸ Eyanson 11-29-10 Int. at 1-2; R01522-25.

⁹⁶⁹ Eyanson 11-29-10 Int. at 1; R02730.

⁹⁷⁰ *Id.* at 2.

⁹⁷¹ R00607.

⁹⁷² R02427-70.

Fiesta Bowl employees stated that they worked in conjunction with these fundraisers, coordinating invitation lists in advance, setting up the Museum and generally helping out during the event itself.⁹⁷³ Fiesta Bowl employees also stated that they attended and provided campaign contributions.⁹⁷⁴

Keogh stated that she did the majority of the work arranging these events.⁹⁷⁵ In October 2006, while she was attempting to schedule a fundraiser for J.D. Hayworth, she received the following email from Junker:

From: John Junker
Sent: Thursday, October 05, 2006 3:30 PM
To: Kelly Peterson
Subject: RE: Hayworth Fundraiser

Re: DO NOT send any emails frm office. U and I will discuss shortly. JJ

----- Original Message -----
From: "Kelly Peterson" <kpeterson@fiestabowl.org>
Date: 10/4/06 1:06 pm
To: "John Junker" <jjunker@fiestabowl.org>
Subject: FW: Hayworth Fundraiser
What are your thoughts?

When asked to explain this message, Keogh said: "It was John [Junker] telling me not to use my work email to invite people to this (JD Hayworth) fundraiser. He specifically told me not to use my Fiesta Bowl accounts. I remember I logged into a Board member's account with the Board member's permission to send the invites."⁹⁷⁶

⁹⁷³ R00609-11; Aguilar 11-24-10 Int. at 9; Tilson 11-22-10 Int. at 8 (remembers that Wisneski had an intern walk around the office collecting the checks).

⁹⁷⁴ McGlynn Int. at 6; Simental 11-10-10 Int. at 10; Eyanson 11-10-10 Int. at 9; Aguilar 11-24-10 Int. at 8.

⁹⁷⁵ R00612.

⁹⁷⁶ Keogh 1-13-11 Int. at 8.

Keogh stated that Junker told her "the invites cannot come from the Fiesta Bowl because we cannot host political events."⁹⁷⁷

Later correspondence supports Keogh's recollection that she believed the Bowl was not supposed to host political functions. In January 2009, for example, Keogh sent an email to the Executive Committee (Vinciguerra, Young, Tilson, Duane Woods, and Stemple) stating that Junker wanted their cooperation in hosting an event for Scottsdale Mayor Jim Lane: "We are needing to send an invitation to the event out, but in order to abide by the laws it must come from volunteer members, so we would like to see if, as the Executive Board, you would approve the invitation coming from you all."⁹⁷⁸ Keogh then drafted an email for Tilson to send to the "Fiesta Bowl family" inviting them to attend the event for Mayor Lane.⁹⁷⁹ Keogh apologized to the marketing coordinator at the Renaissance Companies (Tilson's company): "Oh man, I'm so sorry to give this to you. There are stupid rules for nonprofits, so a volunteer has to do this. Thank you for taking the time to do it for him!"⁹⁸⁰

Keogh said that the Board members who "hosted" fundraisers at the Museum neither paid rent for the Museum, nor paid for the catering.⁹⁸¹

c. Tickets for legislators

The Fiesta Bowl historically has offered all state legislators, as well as a number of other elected officials, free game tickets for

⁹⁷⁷ *Id.* at 9.

⁹⁷⁸ R00617.

⁹⁷⁹ R00619.

⁹⁸⁰ R00618.

⁹⁸¹ Keogh 1-13-11 Int. at 9.

themselves and a guest.⁹⁸² For example, an email from Peterson to Husk dated January 25, 2007, indicates that, like the Scottsdale city officials, Glendale Mayor Elaine Scruggs and the Glendale City Council also received tickets to the 2007 Fiesta Bowl valued at \$1,000 each.⁹⁸³ A listing of ticket uses for the 2009-10, 2008-09, and 2007-08 games shows suites for "Dignitaries – Politicians," "Dignitaries – Governor," "Dignitaries – City of Glendale," and "Dignitaries – politicians."⁹⁸⁴ McGlynn, who has managed tickets for the Fiesta Bowl for almost 15 years, recalled just one year in the past that a politician wanted to pay (but she could not remember his name), and noted that it would be unusual for a politician to pay for tickets.⁹⁸⁵

McGlynn stated that in addition to tickets, the Bowl also provided elected officials with parking passes and tickets to a pre-game party or other bowl event.⁹⁸⁶ According to McGlynn, when officials want more than the standard game day package, "[t]hey can get additional parking passes or other items upon request."⁹⁸⁷ A December 20, 2006 email chain between Husk, Junker, and others is an example of the Fiesta Bowl attempting to meet a legislator's request. In this email, Husk wrote to Junker that Congressman Ed Pastor "[j]ust called to see if you could help him with 8 tix for the [National Championship Game] for some of his friends in Florida

⁹⁸² Keogh 11-22-10 Int. at 10; Keogh 1-13-11 Int. at 9; Tilson 11-22-10 Int. at 7.

⁹⁸³ R00622 (noting that Mayor Scruggs was "shocked" to learn of the value of the tickets and wanted an explanation from the Bowl).

⁹⁸⁴ R01156.

⁹⁸⁵ McGlynn Int. at 2, 4.

⁹⁸⁶ *Id.* at 5.

⁹⁸⁷ *Id.* at 4.

and Ohio."⁹⁸⁸ Forwarding the email to Keogh and Aguilar, Junker wrote, "Looks like we should help."⁹⁸⁹

In addition to providing free event tickets and parking passes, the Fiesta Bowl has also hosted politicians in exclusive stadium suites.⁹⁹⁰ Fields indicated that every year, there has been a suite for the Governor and at least one "Dignitary Suite" for state or other government officials.⁹⁹¹ Fields provided counsel to the Special Committee with two lists of suite allocations for the years 2006-2007, 2007-2008, 2008-2009, and 2009-2010.⁹⁹² That list shows that Dignitary Suites were allocated to politicians as follows:

Year	Category	Event
2006-2007	Governor	Tostitos Fiesta Bowl
	Politicians	Tostitos Fiesta Bowl
	Governor	National Championship Game
	Politicians	National Championship Game
	McCaia	National Championship Game
2007-2008	Politicians	Insight Bowl
	Governor	Tostitos Fiesta Bowl
	Politicians	Tostitos Fiesta Bowl
2008-2009	Politicians	Insight Bowl
	Governor	Tostitos Fiesta Bowl
	City of Glendale	Tostitos Fiesta Bowl

⁹⁸⁸ R00623.

⁹⁸⁹ *Id.*

⁹⁹⁰ Fields 11-24-10 Int. at 4-5.

⁹⁹¹ Fields 11-24-10 Int. at 5.

⁹⁹² R00391; R01564-67.

Year	Invitees	Event
	Politicians	Tostitos Fiesta Bowl
2009-2010	Politicians	Insight Bowl
	City of Tempe	Insight Bowl
	City of Glendale	Tostitos Fiesta Bowl
	Governor	Tostitos Fiesta Bowl
	Politicians	Tostitos Fiesta Bowl

According to Tilson and McGlynn, the responsibility for inviting public officials to Bowl games and getting them their tickets or fulfilling their additional requests fell largely to Husk and his associates at Husk Partners.⁹⁹³ Keogh explained that each year she worked with Husk Partners employees to make sure her list of political invitees was complete and up-to-date.⁹⁹⁴ She then sent out the invites and the invitees would RSVP to John MacDonald (at Husk Partners).⁹⁹⁵ Insight Bowl tickets and all parking passes to politicians were delivered in advance of the games.⁹⁹⁶ For the Fiesta Bowl, Tilson explained, officials checked in with Husk at a designated table to collect their tickets.⁹⁹⁷ When asked why the politician check-in table was manned by Husk and his associates instead of Fiesta Bowl staff, Aguilar explained, "Because they know everybody and everyone else is busy."⁹⁹⁸ Regarding suites, Keogh

⁹⁹³ Tilson 11-22-10 Int. at 7-8; McGlynn Int. at 4-5; Keogh 11-22-10 Int. at 10.

⁹⁹⁴ Keogh 11-22-10 Int. at 10; R02703-29.

⁹⁹⁵ *Id.*

⁹⁹⁶ *Id.*

⁹⁹⁷ Tilson 11-22-10 Int. at 7.

⁹⁹⁸ Aguilar 11-24-10 Int. at 10.

explained, "There is also a dignitary list for the suites and Gary and John ran this."⁹⁹⁹

In early November 2010, roughly two months before the 2010-2011 Bowl games and after the Bowl had terminated Husk's services, Husk told counsel to the Special Committee, "I'm getting calls already for tickets, the favors. People call me all the time and it will get worse — with more time there will be more calls."¹⁰⁰⁰ He added, "They are expecting me to respond, to set them up and get them taken care of."¹⁰⁰¹ On the propriety of politicians receiving free tickets, Husk said, "It is acceptable and even expected here, I'm told. I do it all the time."¹⁰⁰²

Duane Woods and the current Board, however, elected to discontinue the practice of offering lawmakers free tickets in advance of the 2010-2011 Bowl season.¹⁰⁰³ Instead, political officials were given the opportunity to buy two tickets to each of the bowl games for prices ranging from \$22 to \$325 per ticket.¹⁰⁰⁴ A December 14, 2010 article in *The Arizona Republic* quotes the Arizona Legislature's top two leaders, House Speaker Kirk Adams and incoming Senate President Russell Pearce, as saying that they understood the change in policy and that it was not a big deal to have to pay for the tickets.¹⁰⁰⁵

⁹⁹⁹ Keogh 11-22-10 Int. at 10.

¹⁰⁰⁰ Husk 11-3-10 Int. at 16.

¹⁰⁰¹ *Id.*

¹⁰⁰² *Id.*

¹⁰⁰³ See D. Woods 1-2-11 Int. at 8.

¹⁰⁰⁴ R02732-34.

¹⁰⁰⁵ *Id.*

d. Items of value given to politicians

The Fiesta Bowl would sometimes provide items of value to certain politicians. For example, in a number of the reimbursement requests submitted by the Fiesta Bowl employees whose expense materials we reviewed, the employee's description of the expense named one or more politicians (see Schedule M):

Reimbursement Requests by Fiesta Bowl Employees Specifically Naming Politicians			
Date	Amount	Vendor	Employee Description
05-24-02	\$ 117.70	Stems; Scottsdale	Senator Mitchell
09-26-07	\$ 2,140.00	Ticket Exchange Theatrical Producer	Tickets for Russell Pearce, Political relations (Navy v. Airforce per receipt)
10-13-07	\$ 1,040.00	Ticket Exchange- Phoenix, AZ	Gifts - Ben Arredondo (AZ Cardinals v. 49ers per receipt)
11-05-07	\$ 286.00	ASU ICA Ticket office- Tempe, AZ	Gifts - Russell Pearce
09-11-08	\$ 4,060.00	Ticket Exchange	Gifts - Russell Pearce (USC v. Ohio State per receipt)
10-23-08	\$ 1,200.00	Ticket Exchange	Gifts - Ben Arredondo (AZ Cardinals v. 49ers per receipt)
01-22-09	\$ 4,000.00	Minnesota Vikings	Tickets for Ben Arredondo - Super Bowl
Total:	\$12,843.70		

Holt stated that a review performed by Martin and Ciszczon confirmed that the Fiesta Bowl was not reimbursed for any of the items on Schedule M.¹⁰⁰⁶

¹⁰⁰⁶ R00959.

One of the larger gifts, as reflected in the above chart, was a \$4,000 payment to the Minnesota Vikings with the description "Tickets for Ben Arredondo—Super Bowl." In an email, Keogh confirmed the purchase of the tickets with a Vikings ticketing agent: "Councilman Arredondo is not sure which members of his family are going to be so lucky as to get a ticket yet."¹⁰⁰⁷ Aguilar later confirmed that the attendees would be Ben Arredondo, Jason Glascock, Dustin Cristofolo, and Joe Limon.¹⁰⁰⁸

The largest gift listed in the above chart was a \$4,060 payment to "Ticket Exchange" on September 11, 2008, with the description "Gifts—Russell Pearce (USC v Ohio State per receipt)." An invoice confirms that Junker paid Ticket Exchange \$4,060 the previous day for four tickets to the USC-Ohio State college football game at LA Memorial Coliseum.¹⁰⁰⁹ The name "Russell Pearce" is handwritten on this invoice.¹⁰¹⁰

Wisneski did not know any of the details of this particular transaction.¹⁰¹¹ She said that it was common for people to come to Junker asking for game tickets and that Junker frequently would obtain the tickets from various ticketing agencies.¹⁰¹² Wisneski said she did not know if Pearce was given tickets in the transaction noted above, but did confirm that the expense was coded under "gifts."¹⁰¹³

Other Fiesta Bowl documents note that for the 2009 Fiesta Bowl, the Fiesta Bowl made available \$962 of tickets to Arredondo,

¹⁰⁰⁷ R00624.

¹⁰⁰⁸ *Id.*

¹⁰⁰⁹ R00627.

¹⁰¹⁰ *Id.*

¹⁰¹¹ Wisneski 2-16-11 Int. at 3.

¹⁰¹² *Id.*; Schedule F—Ticket Summaries.

¹⁰¹³ Wisneski 2-16-11 Int. at 3.

\$923 of tickets to Pearce and \$1,001.12 of tickets to Weiers.¹⁰¹⁴ Each also received parking passes.¹⁰¹⁵

4. Entertainment and relationship-building expenses

The Fiesta Bowl has expenditures in a number of categories—and donations-out of its charities—that appear to be related to building relationships with individuals and companies that Bowl management believed were important to the Bowl's success. This section discusses the Fiesta Frolic and a few of these other expenditures. It is not an exhaustive survey of expenditures that could be categorized in this manner.

a. Fiesta Frolic/Spring College Football Seminars¹⁰¹⁶

The Fiesta Frolic is a Fiesta Bowl-related event dating back to the Bowl's earliest years.¹⁰¹⁷ It has recently been renamed the "Fiesta Bowl Spring College Football Seminars,"¹⁰¹⁸ a change Fields reports was made at the request of some attendees, to make the event sound like less of a "boondoggle."¹⁰¹⁹ The event takes place during the first week of May each year and its invitation list includes all Football Bowl Subdivision (f.k.a. as Division I) football head coaches, athletic directors, and conference commissioners.¹⁰²⁰ ESPN, Nike and other

¹⁰¹⁴ R01161.

¹⁰¹⁵ R01162.

¹⁰¹⁶ The inclusion of the Fiesta Frolic in this report is not intended to indicate a conclusion that the event is improper or problematic. The matter is covered, at least in part, because it is one of the subjects of the IRS complaint filed by Playoff PAC. R00842.

¹⁰¹⁷ Fields 11-24-10 Int. at 6; Junker 1-31-11 Int. at 3.

¹⁰¹⁸ Guerra Int. at 3.

¹⁰¹⁹ Fields 11-24-10 Int. at 6.

¹⁰²⁰ Fields 11-24-10 Int. at 6; Guerra Int. at 3.

businesses associated with college football have also sent representatives.¹⁰²¹

Guerra reports that Fiesta Bowl Board of Directors members are also invited to attend a portion of the event.¹⁰²² According to Guerra, whose job includes managing the Frolic, the guest list may also include Arizona politicians.¹⁰²³ Contractors associated with the Fiesta Bowl – at least attorney Joel Lulla, Husk and Coughlin – have also attended the Frolic.¹⁰²⁴

The 2010 registration form for the “35th Annual Fiesta Bowl Spring College Football Seminars; Football Results: Operations, Leadership, Integrity & Commitment” lists the most-recent year’s main events.¹⁰²⁵ As described in the program, the Frolic opens with a dinner:

Future Football Scheduling Opening Session and Dinner sponsored by XOS Technologies. “Adding a game? Changing a game? Don’t miss this opportunity to discuss future football schedule adjustments with your colleagues during this evening’s dinner.”¹⁰²⁶

In years past, games have been scheduled as a result of this dinner. For example, in 2010, Tulsa beat Notre Dame at Notre Dame.¹⁰²⁷ One of the biggest wins in Tulsa football history “was hatched last spring [2009] in Arizona. [Tulsa Athletic Director]

¹⁰²¹ R00628-82; Dave Reardon, “WAC, UH high on ESPN list,” HONOLULU STAR-BULLETIN, May 14, 2003 (R01575-76).

¹⁰²² Guerra Int. at 4.

¹⁰²³ *Id.*

¹⁰²⁴ Coughlin Int. at 11; D. Martin Int. at 3; Lulla Int. at 2, 5.

¹⁰²⁵ R00685-88.

¹⁰²⁶ R02769-74.

¹⁰²⁷ R01577-78.

Cunningham popped the question over dinner with Notre Dame AD Jack Swarbrick. The two men were in Phoenix, Ariz., for the Fiesta Frolic.¹⁰²⁸

Other events described in the 2010 schedule are as follows:

- A day of golf at Tournament Player's Club—Scottsdale. The program refers to this, in part, as "a session on peer review and constructive criticism for professional development in small group settings for team building and review of methods and best practices for athletics and football." The "small group settings" are golf foursomes.¹⁰²⁹
- Bowl Games Planning Seminar & Dinner. "Guests are invited to participate in round-table discussions with Bowl organizers. This interactive session will include such subjects as how to improve the experience for student-athletes, the marketing and promotion of bowl game attendance and future planning for bowl games of 2010 and beyond with leaders in college football."¹⁰³⁰

The Fiesta Bowl pays for the hotel expenses, two dinners and two days of golf, while attendees pay for their travel and incidentals.¹⁰³¹ The Bowl picks up expenses for spouses, and offers spa certificates as well.¹⁰³² The Bowl hosts a hospitality suite,¹⁰³³

¹⁰²⁸ Dave Sittler, "Tulsa AD deserving of favorable rankings," TULSA WORLD (Oklahoma), July 24, 2009, at B1 (R02735-36); see also the 2008 Michigan-Utah game (R02737-38).

¹⁰²⁹ R00686-87.

¹⁰³⁰ R00686-87.

¹⁰³¹ Fields 11-24-10 Int. at 6; Guerra Int. at 4; R01557-61; R01993-2003.

¹⁰³² Guerra Int. at 4; R00687-88.

while sponsors like Nike provide complimentary gifts in their own suite.¹⁰³⁴ The Fiesta Bowl also generates some revenue through the event by selling sponsorships, although the event has been a net loss on an annual basis for at least FY 2005-2008.¹⁰³⁵ Sponsors include CBS Collegiate Sports Properties, Daktronics, XOS Technologies, Collegiate Licensing Company, The Ticket Reserve, and U.S. Airways.¹⁰³⁶

The Frolic is also used as an opportunity for conferences to schedule meetings in Arizona before or after it.¹⁰³⁷

In Junker's view, the Frolic "allows customers to come and see us and get to know our hospitality and our people because at best you only get two teams per year that actually make it to the Fiesta Bowl. This way we get 117 teams here at the same time."¹⁰³⁸ He continued, "The point is it's a lot easier to get representatives of 117 teams here, all at the same time, than trying to reach them individually."¹⁰³⁹ Junker also said he believed that the Spring College Football Seminars are "just as much a value to the State of Arizona as an economic engine with the Insight Bowl, Fiesta Bowl, and the National Championship game."¹⁰⁴⁰

The Arizona Office of Tourism has remarked that:

¹⁰³³ Guerra Int. at 4; Wisneski 2-10-11 Int. at 7.

¹⁰³⁴ See, e.g., R00687; Wisneski 2-10-11 Int. at 7.

¹⁰³⁵ See R02253; R02217; R02181; R02136.

¹⁰³⁶ *Id.*; R01557-61.

¹⁰³⁷ Guerra Int. at 4; R02784-86; R01575-76.

¹⁰³⁸ Junker 1-31-11 Int. at 3-4.

¹⁰³⁹ *Id.*

¹⁰⁴⁰ Junker 1-31-11 Int. at 3.

The Fiesta Bowl has become an icon for all the great features that make up our very special state—sunshine, natural beauty, culture, heritage; and great sports, to name a few. And the Frolic has become a signature event that serves to enhance the Fiesta Bowl's elite reputation among the major events in college sports, as well as to reinforce Arizona's reputation among the leading tourism states in the nation.... Arizona tourism gets a great boost from your programs, and we are thrilled to be an active supporter of those efforts.¹⁰⁴¹

The Frolic also appears to generate significant goodwill for the Fiesta Bowl. *The Arbiter* (Boise State University's student newspaper) reported these comments from Boise State Athletic Director Gene Bleymaier in advance of the January 2007 game:

According to Bleymaier, he had never heard of the Frolic but was convinced it was a "must attend" event. Some of the other WAC athletic directors told Bleymaier "Let's just put it this way, if there are four great days in an athletic director's life, three of them are at the Fiesta Frolic." "I always get asked, 'what's the fourth thing,'" Bleymaier said Monday. "Last Sunday night I figured out what the fourth greatest day in an athletic director's life is. That's when your football team gets invited to the Fiesta Bowl."¹⁰⁴²

Similar sentiments are found in dozens and dozens of thank-you notes the Fiesta Bowl receives each year from the Frolic's attendees.¹⁰⁴³

In the words of Donnie Duncan, a Fiesta Bowl consultant who has had a long history in college athletics:

¹⁰⁴¹ Quote attributed to Mark McDermott, Director, Arizona Office of Tourism, May 6, 2002. R00692.

¹⁰⁴² R02739.

¹⁰⁴³ See, e.g., R00628-82.

The Fiesta Frolic has been very successful for a long long time and it's kind of an outreach vehicle that has brought people – athletic directors, and football coaches to Phoenix to be hosted and I'm sure there are some things there that some people will disagree with or someone has issues with, ball caps or whatever.¹⁰⁴⁴

Playoff PAC suggested that the event is an unjustified expense and reports that "The Fiesta Bowl spent \$1,325,753 on 'Fiesta Frolic,' an 'annual weekend golf retreat for college-football officials at a Phoenix-area resort' from FYE 2005 to FYE 2008."¹⁰⁴⁵ The aggregate cost figure appears to be drawn from the IRS Form 990s filed for those years and is accurately tallied by Playoff PAC.¹⁰⁴⁶

b. Other relationship-building expenses

As noted in Section III.A.2 above, addressing the Bowl's charitable giving, a number of the Bowl's charitable donations are directed toward charities associated in some way with persons active in college athletics. In addition to the donations to charities in honor of Tranghese, Moore, Schnellenberger, and Hoeppepner discussed earlier, the Fiesta Bowl's materials also show similar donations to other charities, including donations made in honor of Boise State coach's mother-in-law, a donation in memory of a former Sugar Bowl Director, and donations in memory of NCAA executives.¹⁰⁴⁷ The Fiesta Bowl has also been a supporter of City of Hope, a California-based cancer research institute.¹⁰⁴⁸ At least \$16,000 of the donations in support of City of Hope come from the Fiesta Bowl's support of the Tim Nesvig Lymphoma Fellowship & Research

¹⁰⁴⁴ Duncan Int. at 8.

¹⁰⁴⁵ R00820.

¹⁰⁴⁶ R02253; R02217- R02182; R02136.

¹⁰⁴⁷ R00844; R00845; R00851; R00858.

¹⁰⁴⁸ R00693-94.

fund.¹⁰⁴⁹ Tim Nesvig is the deceased son of a Fox television executive, John Nesvig.¹⁰⁵⁰

In March 2003, Junker attended "Celebrity Fight Night," which bills itself as "one of the nation's elite charity events" with a live auction.¹⁰⁵¹ There are two charges on Junker's American Express statement from March 24, 2003, one for \$95,000 and another for \$15,000.¹⁰⁵² Each is listed as "Celebrity Fight Night" with a handwritten notation as "Jack Nicklaus golf bid."¹⁰⁵³ It appears that in 2004 the Fiesta Bowl paid for Junker and at least one other person to fly to Florida to play golf with Jack Nicklaus in connection with the auction item purchased in 2003.¹⁰⁵⁴ There is also a \$735.50 charge to "Prestige," which may be a limousine service, in Boca Rotan in connection with the "Nicklaus" trip.¹⁰⁵⁵ Junker, in a supplemental statement offered by his attorneys, noted that the attendees of the foursome were supposed to be Nicklaus, John Compton (President of Frito-Lay), Kevin Weiberg (Big 12 Commissioner), and Mark Womack (SEC Senior Associate Commissioner).¹⁰⁵⁶ According to Junker, Weiberg cancelled at the last minute, and Junker filled in.¹⁰⁵⁷ Junker believes that the golf trip was important for the Bowl's relationship with Frito-Lay and its relationship with the SEC.¹⁰⁵⁸ A March 29, 2003 memo to file from Junker explains the purchase of

¹⁰⁴⁹ R00857.

¹⁰⁵⁰ Junker 1-31-11 Int. at 9.

¹⁰⁵¹ R00695.

¹⁰⁵² E00608.

¹⁰⁵³ *Id.*

¹⁰⁵⁴ E00810.

¹⁰⁵⁵ Junker Extension of Remarks at 4; E00810.

¹⁰⁵⁶ Junker Extension of Remarks at 4; R00698-99.

¹⁰⁵⁷ Junker Extension of Remarks at 4; R00699.

¹⁰⁵⁸ Junker Extension of Remarks at 4; R00698-99.

the trip with a similar rationale (Frito-Lay, the BCS, and Ohio State) and notes Laybourne and Wisneski's approval.¹⁰⁵⁹

Although Junker did not mention consultant and former Board member Chuck Johnson, *see* Section III.E.12.e, golfing with Nicklaus (and he may not have), Johnson appears to have been part of the trip: Junker was reimbursed for airfare on February 27, 2004, for himself and Johnson, with a description of "Nicklaus Trip."¹⁰⁶⁰ Johnson also submitted expense reports for this period, with the description of "Trip to Jupiter, FL with Junker to meet with Womack and Compton."¹⁰⁶¹

The Fiesta Bowl also spends money on building and maintaining relationships throughout college football. While not an exhaustive list by any means, in the course of the investigation, counsel to the Special Committee noted a few examples. Junker reported "as long as I can remember we have sent Thanksgiving gifts to coaches, athletic directors, and conference commissioners."¹⁰⁶² One example of that was exotic flowers purchased from the Ranch of the Golden Hawk.¹⁰⁶³ Not only did the November 29, 2005 expenditure of \$2,565.03 on these gifts fulfill Junker's stated purpose of maintaining good relationships with these parties, he reported that he caused the Bowl to purchase the flowers from a company in which a Fox TV executive has an ownership interest.¹⁰⁶⁴

Junker's expense reimbursements also include many other expenses for small gifts. In 2009, for example, Junker's AMEX shows

¹⁰⁵⁹ R01579.

¹⁰⁶⁰ E00810.

¹⁰⁶¹ Schedule X.

¹⁰⁶² Junker 1-31-11 Int. at 13.

¹⁰⁶³ *Id.*

¹⁰⁶⁴ *Id.*

flowers to Gwen Perkins (wife of Kansas Athletic Director Lew Perkins), brownies to various people at the Big 12 conference, golf balls to Texas Athletic Director DeLoss Dodds and others, golf clubs to Michael Tranghese (Big East commissioner) for his retirement, steaks to a contact at ESPN, and cookies to a member of Notre Dame's athletic department staff.¹⁰⁶⁵

One of the recipients of the Fiesta Bowl's relationship-building expenses in 2010 was Jennifer Scalora, at the University of Texas.¹⁰⁶⁶ Scalora is the Director of the Plan II Honors Admissions at the University of Texas at Austin.¹⁰⁶⁷ Junker's daughter, Lucy, sought admittance to, and was accepted by the honors program at UT.¹⁰⁶⁸ In March 2010, Scalora received \$75 of flowers, billed to the gifts account at the Fiesta Bowl.¹⁰⁶⁹

5. Employee perks

The Fiesta Bowl has provided a number of benefits to certain staff members, including golf course memberships, cars, and home internet and cable.

a. Golf course memberships

Junker is a member at four golf courses, at least:

- Whisper Rock Golf Club in Scottsdale, Arizona
- Pumpkin Ridge Golf Club in Oregon
- The Biltmore Golf Club in Phoenix, Arizona
- Karsten Creek in Stillwater, Oklahoma

¹⁰⁶⁵ E01904; E01945; E01947; E01959; E02029.

¹⁰⁶⁶ E02084.

¹⁰⁶⁷ R01155.

¹⁰⁶⁸ R01617.

¹⁰⁶⁹ E02084.

Based on current rates, the Fiesta Bowl pays \$10,800 per year for Junker's membership at Whisper Rock Golf Club.¹⁰⁷⁰ Memberships in the Whisper Rock Golf Club for Junker and Blouin were purchased through separate \$100,000 interest-free loans that the Fiesta Bowl granted to Junker and Blouin in April 2002.¹⁰⁷¹ Under the terms of the promissory notes, Junker and Blouin were to each pay back the \$100,000 loan through a \$10,000 payment made to the Fiesta Bowl each year.¹⁰⁷² Junker's and Blouin's compensation was then increased each year by \$10,000, plus tax withholding, so that the additional payment made by the Fiesta Bowl would net to \$10,000.¹⁰⁷³

Blouin resigned from the Fiesta Bowl in October 2005.¹⁰⁷⁴ Blouin agreed to repay the \$90,000 he owed on the remainder of his promissory note by January 2006.¹⁰⁷⁵ Blouin made this payment in January 2006.¹⁰⁷⁶

Annual membership dues fluctuate, but based on rates as of January 2008, the Fiesta Bowl pays \$3,467.70 per year for Junker's membership at the Biltmore Country Club.¹⁰⁷⁷ Junker explained that the Arizona Biltmore Country Club membership was established in 1987 by then Board President Alex Crutchfield.¹⁰⁷⁸ According to

¹⁰⁷⁰ R01860-62.

¹⁰⁷¹ See, e.g., R00700-01.

¹⁰⁷² Id. R00700-01; R01505-06.

¹⁰⁷³ Eyanson 11-29-10 Int. at 6; see also C00133; C00170; C00179; C00209; C00227; C00254; C00068.

¹⁰⁷⁴ R00702.

¹⁰⁷⁵ R00703.

¹⁰⁷⁶ Wisneski 2-10-11 Int. at 8; R01063.

¹⁰⁷⁷ R01860-62.

¹⁰⁷⁸ R00725.

Junker, he was given a choice of a membership at the Biltmore, the Phoenix Country Club or the Arizona Country Club, and he chose the Biltmore because it was the cheapest alternative.¹⁰⁷⁹ Junker also noted:

The employee would also be grateful to have it noted that at the adoption of this perq, [sic] that Mr. Crutchfield enacted as good policy for the Bowl that a limited amount of benefits would accrue to Junker for personal use of this membership, a policy that has since been overlooked. I would be grateful to further discuss this matter with members of the Board in the interest of reinstatement of this portion of this membership.¹⁰⁸⁰

Like Junker, Crutchfield recalled that Junker was given a choice of country-club memberships and that Junker chose the Biltmore because it was the cheapest, even though he could have chosen a more expensive club membership.¹⁰⁸¹

With respect to Pumpkin Ridge Golf Club in North Plains, Oregon, Junker stated that this membership was made available to the Bowl after the Bowl hosted Oregon State at the Fiesta Bowl, and that it was provided to the Bowl at a large discount.¹⁰⁸² Based on current rates, the Fiesta Bowl pays \$2,580 per year for Junker's membership at Pumpkin Ridge.¹⁰⁸³ Junker had family in Portland, Oregon.¹⁰⁸⁴

¹⁰⁷⁹ *Id.*

¹⁰⁸⁰ *Id.*

¹⁰⁸¹ Crutchfield Int. at 3, 6.

¹⁰⁸² R00725.

¹⁰⁸³ R01860-62.

¹⁰⁸⁴ Junker 1-31-11 Int. at 4.

Junker stated that the reason for the membership stemmed from the rise of Oregon and Oregon State as important football schools and the presence of Nike.¹⁰⁸⁵ Junker also asserted in his redlined interview statements that 2001 Board Chair Kevin Hickey approved the membership.¹⁰⁸⁶ Hickey stated, "There is only one membership that I can talk to, it was something that had been brought to my attention and recommended by John, and it was Whisper Rock."¹⁰⁸⁷ Hickey further stated, "I play golf and I've never heard of Pumpkin Ridge."¹⁰⁸⁸ When asked if he knew why the Bowl would be paying for Junker's golf membership in Oregon, Hickey responded, "No, unless it was given to us."¹⁰⁸⁹

The Fiesta Bowl currently pays \$2,078.64 per year for Junker's Karsten Creek membership.¹⁰⁹⁰ Junker stated that the Karsten Creek membership was purchased primarily to support Oklahoma State University golf, which he calls "the premiere college golf program in the Big 12 and in the nation."¹⁰⁹¹ Junker said that former Big 12 Commissioner Dave Martin suggested that the Fiesta Bowl purchase this membership because it was a visible but reasonably inexpensive way to support Oklahoma State University, a critical supporter of the Fiesta Bowl in the Big 12 Conference.¹⁰⁹² When interviewed,

¹⁰⁸⁵ Junker 1-11-11 Int. at 25.

¹⁰⁸⁶ Junker 1-11-11 Int. at 25 (redline).

¹⁰⁸⁷ Hickey 1-28-11 Int. at 7.

¹⁰⁸⁸ Hickey 1-28-11 Int. at 8.

¹⁰⁸⁹ *Id.*

¹⁰⁹⁰ R01860-62.

¹⁰⁹¹ Junker 1-11-11 Int. at 25.

¹⁰⁹² *Id.*

Martin expressed warmth toward the Fiesta Bowl and noted the university's prowess in collegiate golf.¹⁰⁹³

Wisneski is also a member at the Chaparral Pines golf course in Payson, Arizona, a membership that currently costs the Fiesta Bowl \$385 per month.¹⁰⁹⁴ Wisneski said there was a \$25,000 up-front fee when she joined Chaparral Pines.¹⁰⁹⁵

According to Wisneski, when she became COO, Junker came to her and said the Fiesta Bowl should purchase a golf membership for her.¹⁰⁹⁶ Wisneski noted that at that time Schoeffler also had a golf membership, and that she only purchased a Monday through Thursday golf membership because a full week would have been more expensive than Schoeffler's golf course membership.¹⁰⁹⁷

Wisneski said she rarely uses her membership.¹⁰⁹⁸ She said that it was her belief that Junker had encouraged Wisneski and Schoeffler to get golf memberships "to justify his four."¹⁰⁹⁹

During their interviews, none of the Fiesta Bowl Board members and former Board chairs with whom that matter was discussed was aware that Junker had four golf memberships, let alone that the Fiesta Bowl paid for all four.¹¹⁰⁰

¹⁰⁹³ D. Martin Int. at 3.

¹⁰⁹⁴ R01860-62.

¹⁰⁹⁵ Wisneski 2-10-11 Int. at 12.

¹⁰⁹⁶ *Id.*

¹⁰⁹⁷ *Id.*

¹⁰⁹⁸ *Id.* at 3.

¹⁰⁹⁹ *Id.*

¹¹⁰⁰ Hickey 1-28-11 Int. at 7-8; Horrell Int. at 3-4; Levitt Int. at 4; Flores 2-5-11 Int. at 2; Ziegler 2-15-11 Int. at 4; Tilson 2-15-11 Int. at 3; Ellis 12-8-10 Int. at 6; Young 12-16-10 Int. at 2.

b. Cars for senior executives

During the years that GMC was a sponsor of the Fiesta Bowl, senior Fiesta Bowl executives received GMC company cars.¹¹⁰¹ When this sponsorship ended in 2009, Junker, Wisneski, Schoeffler, and Fields received money from the Fiesta Bowl to make down payments on a car, plus monthly automobile stipends.¹¹⁰²

In addition to the senior executives, Junker's wife, Susan, also has a car paid for by the Fiesta Bowl.¹¹⁰³ In the past, Susan Junker was provided a car under the Fiesta Bowl's contract with General Motors.¹¹⁰⁴ When that contract ended, Junker received a stipend to cover not only his own car, but also a car for his wife.¹¹⁰⁵

On August 25, 2009, Junker received an \$8,500 check for automobile down payment(s); Wisneski received \$6,500; Schoeffler received \$3,000;¹¹⁰⁶ and Fields received \$2,000 on October 22, 2009.¹¹⁰⁷ According to information Wisneski provided to PricewaterhouseCoopers, in 2009 Junker received an annual automobile stipend of \$27,000; Wisneski \$15,600; and Fields

¹¹⁰¹ Holt 11-30-10 Int. at 12.

¹¹⁰² Schoeffler 11-18-10 Int. at 4-5.

¹¹⁰³ Holt 11-30-10 at 12.

¹¹⁰⁴ *Id.*

¹¹⁰⁵ *Id.*

¹¹⁰⁶ Schoeffler's check was actually for \$4,000, but according to Schoeffler, his actual automobile down payment was \$3,000 and the remaining \$1,000 was reimbursement for a campaign contribution. See Section III.B.3.iv.

¹¹⁰⁷ Eyanson 1-13-11 Int. at 15; see also C00012; C00011; C00009.

\$9,600.¹¹⁰⁸ Schoeffler stated that his monthly automobile stipend was \$1,000/month.¹¹⁰⁹

Currently, according to Eyanson, seven Fiesta Bowl executives receive the following annual car allowances:

Employee	Car Allowance
Junker	\$27,000
Wisneski	\$16,800
Fields	\$ 9,600
Guerra	\$ 8,400
Martin	\$ 8,400
McGlynn	\$ 8,400
Eyanson	\$ 6,000 ¹¹¹⁰

Holt stated that she understood that Junker received an allowance for two vehicles as part of his employment agreement.¹¹¹¹ In an attachment to his employment agreement provided to counsel to the Special Committee, Junker wrote: "My position is provided with two automobiles for use by me and my spouse. This is included in employment agreement."¹¹¹² Likewise, in a September 2004 email

¹¹⁰⁸ R00726-27. These numbers appear significantly lower than the car allowances reported in the 2009 Arizona Sports Foundation Reasonable Compensation Assessment performed by PricewaterhouseCoopers, which showed annual car allowance for Junker of \$32,068; for Wisneski \$22,478; for Schoeffler \$21,448; and for Fields \$17,130. R01341.01-R01341.31.

¹¹⁰⁹ Schoeffler 11-18-10 Int. at 5.

¹¹¹⁰ R00964.

¹¹¹¹ Holt 11-23-10 Int. at 5.

¹¹¹² R00725.

Junker wrote to Laybourne and Wisneski, "my position is provided with two automobiles for use by me and my spouse. This is included in my employment agreement."¹¹¹³ Junker's employment agreement, however, does not mention any provision for either one or two automobiles for Junker.¹¹¹⁴

Former Board Chairman Kevin Hickey, who signed Junker's employment agreement on behalf of the Bowl in April 2001, stated that he did not recall any contractual provision for a car for Susan Junker and that he did not recall personally approving any provision of a car for Junker's spouse.¹¹¹⁵ When asked if he believed such an expenditure was appropriate for the Bowl, Hickey responded, "I wouldn't do that inside my company."¹¹¹⁶

Counsel to the Special Committee interviewed the following former chairs of the Board of Directors of the Fiesta Bowl on the subject of automobiles or automobile expenses for Susan Junker: Hickey (2001), Horrell (2002), Levitt (2003), Flores (2004), Allen (2005), Ziegler (2006), Stemple (2007), Tilson (2008), and Young (2009). Each of them reported that they had no recollection of the Fiesta Bowl providing a car or car expenses for Susan Junker, nor could they think of a business purpose for doing so.¹¹¹⁷

After his interview with the Special Committee's counsel, however, former Chair Levitt produced a number of documents from his files. Among these documents was a September 16, 2003

¹¹¹³ R01187-88.

¹¹¹⁴ R00724.

¹¹¹⁵ Hickey 1-28-11 Int. at 6.

¹¹¹⁶ *Id.*

¹¹¹⁷ Hickey 2-18-11 Int. at 2; Horrell Int. at 4; Levitt Int. at 5; Flores Int. at 2; Allen 2-15-11 Int. at 2; Ziegler 2-15-11 Int. at 4; Stemple Int. at 3; Tilson 2-15-11 Int. at 3.; Young 2-18-11 Int. at 4.

email from Levitt to Horrell, Flores, and Hickey, subject "JJ compensation."¹¹¹⁸ In the email, Levitt notes that "JJ's salary and bonus are supplemented with his country club membership and the use of two vehicles."¹¹¹⁹

A number of Fiesta Bowl employees also receive a mileage stipend.¹¹²⁰ Currently, Junker, Holt, Aguilar, Martin, Pumphrey, Fields, McGlynn, Wisneski, Cannon, Eyanson, and Guerra each receive a \$1,200 annual mileage stipend.¹¹²¹

c. Home internet, cable, and cell phones

The Fiesta Bowl compensates several employees for their home internet, cable television and/or cell phone service.¹¹²² For example, Junker's American Express statements show that the Fiesta Bowl reimbursed Junker \$1,721.06 for internet and cable television services for the Bowl's 2010 fiscal year.¹¹²³ In past years, the Bowl has also paid for satellite television, a Golf Channel subscription, Onstar car services, and satellite radio for Junker.¹¹²⁴

Wisneski is reimbursed for her home internet, satellite radio, and television.¹¹²⁵ Fields, Guerm, and Aguilar are reimbursed for their home internet service.¹¹²⁶

¹¹¹⁸ R00728.

¹¹¹⁹ *Id.*

¹¹²⁰ Eyanson 11-29-10 Int. at 5; Wisneski 2-16-11 Int. at 7; R00965.

¹¹²¹ R00965.

¹¹²² Holt 11-23-10 Int. at 4; Wisneski 12-9-10 Int. at 5; Aguilar 11-24-10 Int. at 11.

¹¹²³ Schedule N.

¹¹²⁴ Schedule F—Dues/Subscriptions.

¹¹²⁵ Schedule I—Dues/Subscriptions.

The Fiesta Bowl's top executives (currently Junker, Wisneski and Fields) receive an annual \$1,800 cell phone allowance.¹¹²⁷ In addition, Junker regularly purchases phone accessories, such as chargers and head phones, for which the Bowl has reimbursed him in the amount of \$1,744 over the past four years.¹¹²⁸

d. Junker's 50th birthday celebration

When Junker turned 50 in 2005, the Fiesta Bowl paid for a birthday party in Pebble Beach, California.¹¹²⁹ The party apparently was suggested by then-Board Chair Mike Allen, with Blouin handling the arrangements.¹¹³⁰ Wisneski stated that she was not permitted by Blouin to see any of the expense detail, only the top-line number.¹¹³¹ Allen stated that he did not see or approve a budget and was not aware of one.¹¹³² One of the attendees, Hickey, reported that he believed the event was "excessive" and "had absolutely no business purpose."¹¹³³ Other individuals who were on the Board at the time of the event reported that they were unaware that it had occurred.¹¹³⁴

A number of top Fiesta Bowl employees and their spouses traveled to Pebble Beach for the four-day celebration.¹¹³⁵ Most

¹¹²⁶ Schedule H – Dues/Subscriptions; Guerra Int. at 3; Aguilar 11-24-10 Int. at 11.

¹¹²⁷ R01341.

¹¹²⁸ Schedule W.

¹¹²⁹ Schedule O.

¹¹³⁰ Allen 2-15-11 Int. at 4.

¹¹³¹ Wisneski 2-10-11 Int. at 12; Wisneski 3-3-11 Int. at 4.

¹¹³² Allen 2-15-11 Int. at 4.

¹¹³³ Hickey 2-18-11 Int. at 3; *see also* Hickey's redline.

¹¹³⁴ Ziegler 2-15-11 Int. at 4.

¹¹³⁵ Wisneski 2-10-11 Int. at 13.

employee airfare records were not available to us but, even without including all the airfare, the Bowl spent more than \$33,000 on this party (see Schedule O):

Name/ Date	Amount	Vendor	Description
Junker 05-16-05	\$ 446.20	United Airlines; San Francisco-DVR; DOD 05/23; Psgr: Junker/John	Mtgs Travel: M Allen, JJ, DB, Kit, et al.
05-16-05	\$ 446.20	United Airlines; San Francisco-DVR; DOD 05/23; Psgr: Allen/Michael	Mtgs Travel: M Allen, JJ, DB, Kit, et al.
05-16-05	\$ 446.20	United Airlines; San Francisco-DVR; DOD 05/23; Psgr: Schoeffler/Shawn	Mtgs Travel: M Allen, JJ, DB, Kit, et al
05-20-05	\$ 40.00	PB Lodge, Phx Airport	Misc. Airport Gratuities, Golf Course
05-23-05	\$ 60.00	Phx Int'l Airport	Staff Meetings-Phx-Parking
Blouin 03-08-05	\$ 24,500.00	Lodge Advance, Pebble, CA	See Nat/ DB would not give me recs; 3/7-3/8
03-25-05	\$ 409.40	America West Airlines	BCS Exec mtgs; Phx to Monterey 5/20 - D. Blouin
03-25-05	\$ 409.40	America West Airlines	BCS Exec mtgs; Phx to Monterey 5/20 - J. Blouin
05-21-05	\$ 1,885.95	Little Napoli-Carmel CA	Fox mtgs/BCS mtgs
05-22-05	\$ 2,406.44	Tap Room at the Lodge- Pebble Beach CA	Fox/BCS mtgs
05-23-05	\$ 228.73	Hertz Car Rental-Monterey Airport-5/20-23/2005-Blouin/Doug	BCS trip; Junker, Allen, Blouin, Laybourne, Boehm, Wisneski, Schoeffler
05-23-05	\$ 229.44	Hertz Car Rental-Monterey Airport-5/20-23/2005-Blouin/Doug	BCS trip; Junker, Allen, Blouin, Laybourne, Boehm, Wisneski, Schoeffler
05-23-05	\$ 228.37	Hertz Car Rental-Monterey Airport-5/20-23/2005-Blouin/Doug	BCS trip; Junker, Allen, Blouin, Laybourne, Boehm, Wisneski, Schoeffler
05-24-05	\$ 61.00	Sky Harbor Airport	BCS trip/airport parking

Name/ Date	Amount	Vendor	Description
Schoeffler 05-23-05	\$ 62.00	Sky Harbor	Big 12 Meetings-airport parking
No AMEX reports available			
Wisneski 04-27-05	\$ 336.90	America West - No passenger identified-DOD 5/20-Phoenix to Monterey to San Jose to Phoenix	BCS travel
04-27-05	\$ 336.90	America West - No passenger identified-DOD 5/20-Phoenix to Monterey to San Jose to Phoenix	BCS Travel
05-21-05	\$ 109.86	Lucy's Carmel CA	Ladies Lunch
05-23-05	\$ 239.29	Lodge at Pebble Beach	BCS Trip
05-23-05	\$ 21.00	Sky Harbor Airport	BCS Trip Parking
05-25-05	\$ 285.68	Hertz	Pebble Beach BCS trip
Grand Total	\$ 33,188.96		

As noted in the descriptions, the "BCS" was often listed as the purpose of the trip. Even though Allen does not recall any meetings about the BCS, he said that business was being conducted, although in a more collegial setting.¹¹³⁶

e. Other miscellaneous benefits

Presented here are some of the other miscellaneous benefits provided by the Bowl.

Annually, the Fiesta Bowl provides suites to its games to the CEO (Junker), the COO (Wisneski), the VP of Marketing (Fields), and the Chair of the Board.¹¹³⁷ Food expenses are paid for by the Fiesta Bowl for these suites.¹¹³⁸ Fields disclosed that family members have used the suite tickets, while he himself was mostly out working

¹¹³⁶ Allen 2-15-11 Int. at 4.

¹¹³⁷ R01156-86; Holt 11-30-10 Int. at 17; Fields 11-24-10 Int. at 4-5.

¹¹³⁸ Fields 11-24-10 Int. at 4.

sponsors during the games.¹¹³⁹ Our investigation did not foreclose the possibility that other executives use their suites for family as well.

It appears from his expenses that Junker is active in the Catholic community.¹¹⁴⁰ The Bowl annually supports St. Vincent de Paul, a respected Catholic charity,¹¹⁴¹ and the Junkers have charged frequent meals with the Zabilskis to the Bowl – Steven Zabilski is a neighbor of the Junkers and the executive director of the St. Vincent de Paul chapter in Phoenix.¹¹⁴² Other Catholic organizations supported by the Bowl include St. Thomas the Apostle (Phoenix), Our Lady of Joy, and the Dominican Sisters of Mary, Mother of the Eucharist.¹¹⁴³ Msgr. Dale and people in Bishop O'Brien's office, both of the Roman Catholic Diocese, also have received game tickets to the Fiesta Bowl.¹¹⁴⁴ Wisneski reported that Junker donated a suite valued at \$25,000 to a convent with which he is associated, for a fundraiser.¹¹⁴⁵ The Fiesta Bowl also supported Junker's membership in Legatus, an organization whose mission is "To study, live and spread the Faith in our business, professional and personal lives,"¹¹⁴⁶ and which is open to the top-ranking Catholic in businesses of a certain size.¹¹⁴⁷ Junker was reimbursed for a March 11, 2005 charge of \$2,500 for Junker's annual dues.¹¹⁴⁸ On August 31, 2006, the Fiesta

¹¹³⁹ Fields 11-24-10 Int. at 5.

¹¹⁴⁰ See also Wisneski 12-17-10 Int. at 2.

¹¹⁴¹ R01580; R00846; R00852; R00859; R00864; R00869; R00875; R00881; R00887. See, e.g., \$15,000 to St. Vincent de Paul as a "Breakfast Sponsor – Restoring Hope through Faith & Love."

¹¹⁴² Wisneski 2-16-11 Int. at 10.

¹¹⁴³ R00844-904.

¹¹⁴⁴ R01160-61.

¹¹⁴⁵ Wisneski 12-17-10 Int. at 2.

¹¹⁴⁶ R01581.

¹¹⁴⁷ R01582.

¹¹⁴⁸ E03366.

Bowl paid \$2,750 for his annual dues.¹¹⁴⁹ The first expense is listed as "ok per Mike Allen," on Junker's expense report although Allen was not the Board chair at the time — Ziegler was. Wisneski provided the expense report submitted for reimbursement of the 2006 expense.¹¹⁵⁰ Wisneski observed that the membership is for John and Susan Junker and that she believed that the handwriting of the person filing out the form is that of Susan Junker.¹¹⁵¹ The initials approving the expense she recognized as belonging to Ciszczon.¹¹⁵²

Junker has made tickets and other game-week amenities available to "Dr. Richer" of "Richer Chiropractic," and "Dr. Hammer" of the "Hammer Institute," both identified as "JJ Medical."¹¹⁵³ Junker's relationship with the Hammer Institute for Anti-Aging Medicine¹¹⁵⁴ also appears in his expenses. Since 2006, Junker has charged more than \$61,000 to the Hammer Institute on his American Express, although with one exception he has coded every expense as a personal one.¹¹⁵⁵ In 2009, Junker received permission from Ziegler (who had been Board Chair in 2006) to charge \$3,990.80 to the Hammer Institute on his American Express and was reimbursed by the Fiesta Bowl.¹¹⁵⁶ There are indications that Junker was also reimbursed at least \$2,934.40 via a January 2008 manual check from the payroll account with Hammer Institute handwritten in the check register.¹¹⁵⁷ Ziegler recalls that Junker told her that absent human growth hormone from this medical provider "he

¹¹⁴⁹ E03365.

¹¹⁵⁰ R01584.

¹¹⁵¹ Wisneski 2-16-11 Int. at 9.

¹¹⁵² *Id.*

¹¹⁵³ R01160-61; R01163.

¹¹⁵⁴ R01583.

¹¹⁵⁵ Schedule Y.

¹¹⁵⁶ E01997.

¹¹⁵⁷ C00069.

would have a heart attack," an account also recalled by Wisneski.¹¹⁵⁸ Ziegler said there was no memo or letter to document her approval.¹¹⁵⁹

Junker was reimbursed for a June 22, 2008 charge of \$2,285.96 for Nike golf equipment with the expense being coded to account "1873.86 - Admin: Other Entertainment."¹¹⁶⁰ The written description in the American Express statement includes "ok per D. Tilson."¹¹⁶¹ Tilson was Board Chair in 2008 and stated that Junker was playing golf in a Nike tournament and so the Executive Committee thought it would be a "great idea" for Junker to have all Nike equipment to play with -- "Just trying to keep our sponsor happy."¹¹⁶²

6. Confidential separation agreements

Five of the former employees who would not cooperate with the Special Committee's counsel's investigation signed separation agreements with the Bowl: Blouin (October 25, 2005), Marc Schulman (November 10, 2005), Patricia McQuivey (January 24, 2006), Nat Stout (August 8, 2006), and Schoeffler (September 21, 2009).¹¹⁶³ The separation agreements for Blouin, Schulman, Schoeffler, and Stout were found in Grant Woods' files, which he provided to counsel to the Special Committee,¹¹⁶⁴ while McQuivey's and Stout's were in Husk's files, which he provided to the counsel to the Special Committee.¹¹⁶⁵ These separation agreements each contain

¹¹⁵⁸ Ziegler 2-15-11 at 3; Wisneski 2-16-11 at 8.

¹¹⁵⁹ Ziegler 2-15-11 at 3.

¹¹⁶⁰ E01829; E09392.

¹¹⁶¹ E01829.

¹¹⁶² Tilson 2-15-11 Int. at Addendum.

¹¹⁶³ R01287-1334; R01414-26.

¹¹⁶⁴ R01210.

¹¹⁶⁵ R01343-44.

a confidentiality clause, deeming their terms confidential except as to tax preparers, attorneys, accountants, those within Bowl management who "have a legitimate business need to know," and as otherwise required by law.¹¹⁶⁶ They also each contain a non-disparagement provision:

[Blouin/McQuivey/Schulman/Stout/Schoeffler] and the [Fiesta Bowl] hereby mutually agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding each other's efforts, character, and reputation.¹¹⁶⁷

The amount of the severance payments varied.¹¹⁶⁸ Because of the confidentiality clauses, this version of the report does not include certain information from the agreements. Several individuals associated with the Fiesta Bowl at the time of Harris' December 2009 article said that they believed Blouin or other former employees were responsible for the accusations leveled against the Bowl.¹¹⁶⁹

a. Blouin

Blouin worked at the Fiesta Bowl for 17 years before he left in October 2005.¹¹⁷⁰ At the time he left, he was the Chief Operating Officer.¹¹⁷¹ Bagnato, then a reporter at *The Arizona Republic*, wrote a story on Blouin's departure.¹¹⁷²

¹¹⁶⁶ R01228-1334; R01423-26; R01585-88.

¹¹⁶⁷ *Id.*

¹¹⁶⁸ *Id.*

¹¹⁶⁹ Wisneski 2-2-11 Int. at 14; Young 12-16-10 Int. at 2; Aguilar 11-24-10 Int. at 6.

¹¹⁷⁰ R01301.

¹¹⁷¹ R01504.

¹¹⁷² R01983.

Although Blouin would not speak to counsel to the Special Committee, according to Grant Woods, Blouin did speak to Woods and reportedly told Woods that he had been reimbursed for campaign contributions through his expense reimbursements.¹¹⁷³ Woods stated that the reason he chose the phrase “no *credible* evidence” (emphasis added) when reporting on the results of his investigation was because – although Blouin stated he had been reimbursed – Woods did not believe his allegations were credible.¹¹⁷⁴

As noted earlier, Woods could not specifically recall the basis for his belief that Blouin was not credible, other than that he had left the Bowl “under a cloud.”¹¹⁷⁵ A document from Grant Woods’ files, which was created after the start of the Secretary of State’s inquiry, noted that those thought to be accusing the Bowl of improprieties had “credibility issues,” that “all but one resigned in lieu of termination,” and that the “purpose for termination included dishonesty.”¹¹⁷⁶ With respect to Blouin, this document from Woods’ files added “Missing funds; 5 years ago; unaccountable funds.”¹¹⁷⁷

Although not a focal point of the investigation, the Special Committee’s counsel learned of allegations that Blouin had been responsible for a number of financial irregularities during his tenure with the Bowl, including allegations that Blouin submitted for reimbursement expenses that were not incurred.¹¹⁷⁸ Thus, while we found only limited evidence suggesting that Blouin may have been reimbursed for campaign contributions through the manual

¹¹⁷³ G. Woods 11-23-10 Int. at 6.

¹¹⁷⁴ G. Woods 2-2-11 Int. at 4.

¹¹⁷⁵ *Id.*

¹¹⁷⁶ R01234.

¹¹⁷⁷ *Id.*

¹¹⁷⁸ Wisneski 12-9-10 Int. at 2-4.

In May 2005, according to Fiesta Bowl documents, Blouin received a reimbursement of \$240 for a "Whisper Rock Caddie" alleged cash expense for May 11, 2005.¹¹⁸⁵ According to the Whisper Rock invoice that was paid by the Fiesta Bowl for May 2005, however, Blouin also took a cash advance from Whisper Rock for \$290 that same day.¹¹⁸⁶ Another expense report seeking reimbursement for \$125 for golf caddies at Whisper Rock (this one from August 2005) does not, according to Wisneski, match with any other incidental charges at Whisper Rock that month.¹¹⁸⁷

Wisneski also noted concerns that she had about alleged large golf ball purchases by Blouin.¹¹⁸⁸ On June 27, 2005, Blouin charged \$4,129.09 to the Fiesta Bowl from Whisper Rock for 90 dozen Titleist golf balls, coded to "mktg. gifts."¹¹⁸⁹ The following month, on July 29, 2005, Blouin charged \$8,773.10 to the Fiesta Bowl for another large purchase of 189 dozen golf balls.¹¹⁹⁰ Wisneski said she has no recollection of ever seeing this of large of an amount of golf balls in the office.¹¹⁹¹

McGlynn also raised additional alleged financial irregularities with respect to Blouin. Like other executives, McGlynn said, Blouin received an allotment of tickets to the Fiesta Bowl and the Insight Bowl.¹¹⁹² (The allotments are used by executives for their

¹¹⁸⁴ Wisneski 2-16-11 Int. at 8-9.

¹¹⁸⁵ R01864-65.

¹¹⁸⁶ R01608-09.

¹¹⁸⁷ R01604-05.

¹¹⁸⁸ Wisneski 2-16-11 Int. at 7.

¹¹⁸⁹ R01597-600.

¹¹⁹⁰ R01601-03.

¹¹⁹¹ Wisneski 2-16-10 Int. at 7.

¹¹⁹² McGlynn Int. at 4.

professional contacts and are supposed to be paid for or billed to an internal account.)¹¹⁹³ Documents in Blouin's personnel file state that for one year "according to the ticket office, Doug's ticket allotment was short by approximately \$60,000 in payments," which Blouin "coded to a marketing expense account and claimed the ticket office was in error."¹¹⁹⁴ McGlynn reported in another year, after the January game, Blouin paid for his allotment by handing her a FedEx box, which she opened the next day to discover contained stacks of wrapped \$100 bills totaling \$250,000.¹¹⁹⁵ She said that her impression was that Blouin did not know the amount that was in the box and that he might have given the tickets to a broker to sell.¹¹⁹⁶

¹¹⁹³ McGlynn Int. at 3-4.

¹¹⁹⁴ R01503.

¹¹⁹⁵ McGlynn Int. at 8.

¹¹⁹⁶ McGlynn Int. at 8. The Fiesta Bowl has, or has considered, relationships with a range of ticket broker services, including The Ticket Reserve, TicketsNow, Razorgator, and SeatNation. R01043-49; R02349-57; R02347-48; R02358-59; R02345-46; R02375-81. The relationships may stem from a desire to capture for the Fiesta Bowl some of the revenue available in the re-seller or ticket-scalper market. R01866. The business models and contractual relationships vary, but it appears as if the Fiesta Bowl intends to receive a portion of the fees generated by entities that sell ticket options, and that it resells to these entities tickets season ticket-holders do not wish to use. *See, e.g.*, R01043-1951; R01043-49; R02349-57; R02347-48; R02358-59; R02345-46; R02375-81. The agreement with The Ticket Reserve was the subject of litigation and a later settlement. R02360-70; R02371-74. The Special Committee was not asked to investigate or comment on the propriety of these practices, which are not unique to the Fiesta Bowl. R01950-51. Toward the end of the investigation, a letter addressed to Junker was turned over by Wisneski to counsel to the Special Committee. R01867-69. The letter dates from after Schoeffler's departure (September 2009) and is unsigned. *Id.* The letter alleges that the author had a meeting

Fiesta Bowl documents showed a number of high-priced items Blouin charged to the Bowl, including:

- A page in Blouin's personnel file alleges that "Doug took family trips to the Macy's Thanksgiving Day Parade and Atlantis from John Langbeine, Ticket Exchange."¹¹⁹⁷
- That same sheet notes the purchase of a \$1,000 bottle of wine at the Bowl's expense, an allegation corroborated by a receipt found in Husk's materials.¹¹⁹⁸
- Also among the receipts found for Blouin was a March 1, 2003 reimbursement check for \$8,410.18, which was paid to him for an "18-karat white gold diamond heart shaped pendant suspended on a snake-style chain and containing (9) dia[monds] 1.96 cts. total weight."¹¹⁹⁹ The necklace was coded to the gifts account.¹²⁰⁰ When interviewed as part of the current investigation, Wisneski could not come up with a reason for the Bowl to pay for a heart-shaped necklace on January 16, 2003.¹²⁰¹

A memo prepared by Junker (and found in, among other places, Husk's files) in advance of an October 4, 2005 evaluation meeting with Blouin – Blouin skipped the meeting and was deemed

with a national sports journalist who was investigating the involvement of ticket brokers in BCS games. R01867-69.

¹¹⁹⁷ R01503.

¹¹⁹⁸ *Id.*

¹¹⁹⁹ E09574-77.

¹²⁰⁰ Wisneski 3-3-11 Int. at 2.

¹²⁰¹ *Id.*

to have resigned¹²⁰²— alleged other concerns with Blouin, including poor performance, lack of respect for company rules, obtaining an American Express Black card (with a \$2,500 annual membership fee charged to the Bowl), and a general “fail[ure] to live up to normal standards of trust and leadership in our business.”¹²⁰³

b. Schoeffler

Shawn Schoeffler, the Fiesta Bowl’s Vice President of Media Relations, was a 16-year employee of the Fiesta Bowl when he left in September 2009.¹²⁰⁴ As noted earlier, Schoeffler voluntarily participated in an interview with counsel to the Special Committee in November 2010.¹²⁰⁵ He requested, and received (on November 12, 2010), a letter from the Fiesta Bowl permitting him to meet with counsel to the Special Committee and talk openly about his time at the Fiesta Bowl.¹²⁰⁶ Schoeffler later claimed (through his attorney) that he believed counsel to the Special Committee were representing him during the interview and that his communications to counsel to the Special Committee were thus protected by the attorney-client privilege.¹²⁰⁷ As discussed earlier, Schoeffler’s allegations are contradicted by the affidavit of Patrick Cooper, one of the investigators retained by counsel to the Special Committee and a retired Deputy Criminal Chief for Maricopa County.¹²⁰⁸

The documents in Schoeffler’s personnel file show that Fiesta Bowl management had concerns over Schoeffler’s relationships with

¹²⁰² R01504.

¹²⁰³ R01511.

¹²⁰⁴ R01479.

¹²⁰⁵ Schoeffler 11-18-10 Int. at 1.

¹²⁰⁶ R01556.

¹²⁰⁷ R02382-402.

¹²⁰⁸ R01594-96.

others in the office, and with women co-workers in particular.¹²⁰⁹ The document from Grant Woods' files, generated after the start of the Secretary of State's inquiry, noted: "Shawn: inappropriate relationship with subordinate."¹²¹⁰ Schoeffler's personnel file also shows that Hayden, an employment lawyer at Snell & Wilmer, was consulted to address concerns relating to Schoeffler's behavior toward women in the office.¹²¹¹

Like Blouin, Schoeffler was an at-will employee.¹²¹²

c. Allegations of fraud with respect another employee

While preparing for the Bowl's annual audit, Holt discovered an irregularity in the 1882 (apparel) department.¹²¹³ According to Holt, her investigation showed that a former employee had written "checks for the rent and other things and. . . she had changed some of the names and had even forged my name on some of the checks."¹²¹⁴ Counsel to the Special Committee did not contact this former employee; her name can be ascertained from certain documents cited in this section. The Bowl's bank produced a copy of one of the checks in question and that check was made out to an individual (later determined to be the former employee's landlord) and not to the vendor shown in the Bowl's financial records.¹²¹⁵ The Bowl's auditors, PricewaterhouseCoopers, reported that "approximately \$10k in fraudulent checks were issued and cashed

¹²⁰⁹ R01871-73.

¹²¹⁰ R01234.

¹²¹¹ R01871-73.

¹²¹² R01610.

¹²¹³ Holt 11-30-10 Int. at 6.

¹²¹⁴ Holt 11-30-10 Int. at 6.

¹²¹⁵ R01515.

by this employee."¹²¹⁶ The report to the bank noted that, three weeks after the employee's departure on April 30, 2010, the Bowl had not reported the matter to law enforcement.¹²¹⁷

The former employee who is alleged to have forged checks was to be paid \$41,574 gross according to her separation agreement.¹²¹⁸ She too was an "at will" employee.¹²¹⁹

7. Employee gifts

In addition to the prerequisites noted above, the Fiesta Bowl gave gifts and bonuses to employees. Many of these – although certainly not all – were charged on Junker's American Express card and expense reports.¹²²⁰ The review of Junker's American Express statements and expense reports shows over \$97,000 in gifts to employees since 2000.¹²²¹

The Fiesta Bowl also gave checks to employees as bonuses for various occasions.¹²²² We have not attempted a complete compilation of these monetary gifts or bonuses, but examples of these are discussed in Eyanson's interview statements, including a check to employee Paul Nyman for a \$1,000 "wedding bonus,"¹²²³ a \$2,000 bonus to employee Bonnie Ciszczon for her daughter's wedding,¹²²⁴ and a \$5,000 bonus to Eyanson when Eyanson's husband was in an

¹²¹⁶ R01201.

¹²¹⁷ R01516-17.

¹²¹⁸ R01585-88.

¹²¹⁹ R01613.

¹²²⁰ See Schedule P.

¹²²¹ Schedule P.

¹²²² C00001-314; Schedule A.

¹²²³ C00134.

¹²²⁴ C00299; C00383.

accident.¹²²⁵ The Fiesta Bowl appears to have a culture of giving "bonuses" and gifts for events ranging from a particular job well done to a family celebration or a family tragedy, or for no readily ascertainable reason.¹²²⁶ As noted above, Wisneski reported that Junker instructed her to mix campaign-contribution reimbursements among other bonuses to make the reimbursements hard to detect.¹²²⁷

Employees other than Junker were also reimbursed by the Fiesta Bowl for gifts to colleagues.¹²²⁸ For example, for the birth Schoeffler's child, Simental charged \$754 for gift cards to a Scottsdale mall in October 2006.¹²²⁹ Junker also purchased a \$400 gift from A.J.s Fine Foods in October 2006 as a Schoeffler baby gift.¹²³⁰

We have set forth below a few additional examples of charges that appear to have been gifts to Fiesta Bowl employees.

a. The Keogh wedding

The Fiesta Bowl appears to have spent at least \$13,086.77 in connection with the wedding of Kelly Peterson and Mark Keogh.¹²³¹ The Fiesta Bowl not only paid for airfare for the Keoghs (likely to their wedding site, as well as to their honeymoon), but also paid for the couple's several-night stay at the Four Seasons Hotels in Whistler and Vancouver, British Columbia.¹²³²

¹²²⁵ Eyanson 11-29-10 Int. at 6.

¹²²⁶ Simental 1-13-11 Int. at 1; McGlynn Int. at 8.

¹²²⁷ Wisneski 3-3-11 Int. at 5.

¹²²⁸ See, e.g., Schedule I - Gifts.

¹²²⁹ E09582-88

¹²³⁰ E01566.

¹²³¹ Schedule Q.

¹²³² *Id.* See also R02741.

The Fiesta Bowl flew John, Susan, and Michael Junker to Kansas City, Missouri, for the wedding, paid for the Junker family to stay several nights at hotels in Kansas City and Lawrence, Kansas, paid for a rental car for the Junkers while at the wedding, and paid for them to park their car at the Phoenix airport while they were away and to purchase medicine at a CVS store in Kansas City.¹²³³

In addition to the Junker family, the Fiesta Bowl paid for at least six additional Fiesta Bowl employees and two non-employee guests to travel to Kansas City for the wedding and paid for hotels for at least some of these individuals.¹²³⁴ A chart detailing the Keogh-wedding related expenses picked up by the Fiesta Bowl is shown below:

Date	Amount	Vendor	Description
9-14-05	\$ 161.93	Williams Sonoma	Wedding gift from Fiesta Bowl: Kelly Peterson (From Blouin expense report)
9-14-05	\$ 201.33	Crate & Barrel	Wedding gift from Fiesta Bowl: Kelly Peterson (From Blouin expense report)
11-22-06	\$ 755.69	Alaska Airlines	Gifts: Kelly-Mark Keogh
11-22-06	\$ 755.69	Alaska Airlines	Gifts: Kelly-Mark Keogh
11-22-06	\$ 10.00	Alaska Airlines	Gifts: Kelly-Mark Keogh
11-22-06	\$ 10.00	Alaska Airlines	Gifts: Kelly-Mark Keogh
02-05-07	\$ 496.80	U.S. Airways Megan Toohey-3-23-07 departure	Travel to Kansas City

¹²³³ *Id.*

¹²³⁴ E09302-26.

Kelly Keogh Wedding Financials March 23-25, 2007 (San Francisco) It is difficult to estimate when the Keoghs took the trip to Vancouver, BC. The AMEX Statement shows a credit for the trip on the date of the honeymoon.			
Date	Amount	Vendor	Description
02-05-07	\$ 801.60	U.S. Airways Christine & Brett Martin-3-22-07 departure to Kansas City	
02-07-07	\$ 801.60	U.S. Airways Anthony Aguilar & Katherine Sisulak-3-22-07 departure to Kansas City	
02-07-07	\$ 400.80	U.S. Airways Denae Schumacher-3-22-07 departure to Kansas City	Peterson-Keogh Wedding
02-08-07	\$ 344.81	Midwest Airlines from Kansas City MO to San Francisco CA to Kansas City MO - Mark Keogh	Gifts-Keogh Wedding
02-08-07	\$ 344.81	Midwest Airlines from Kansas City MO to San Francisco CA to Kansas City MO-Kelly Peterson	Gifts-Keogh Wedding
02-20-07	\$ 210.40	U.S. Airways-M. Salloom-Kansas City to Phoenix (3-25-07)	
03-01-07	\$ 790.76	Four Seasons Resort Whistler BC	Gifts-Keogh Wedding
03-05-07	\$ 485.80	Southwest Airlines Marc Scremin- 3-23-07 departure to Kansas City	
03-06-07	\$ 612.80	Southwest Airlines-Phoenix AZ to Kansas City MO to Phoenix AZS. Junker	Travel Air-Benedictine College-Keogh wedding
03-06-07	\$ 612.80	Southwest AirlinesPhoenix AZ to Kansas City MO to Phoenix AZ -M. Junker	Travel Air-Benedictine College-Keogh wedding
03-08-07	\$ 480.80	Southwest Airlines from Phoenix AZ to Kansas City MO to Phoenix AZ -J. Junker	Travel Air-Benedictine College-Keogh wedding
03-13-07	\$ 211.30	Continental Airlines Maureen Salloom Phoenix to Kansas City (3-23-07)	
03-22-07	\$ 452.58	The Eldridge Hotel	Aguilar Per Receipt: "Peterson-Keogh Wedding"

Kelly Keogh's Wedding (started March 23-24, 2007) (see 1099)			
It is difficult to estimate when the Keoghs took the trip to Vancouver, BC. The AMBA statements do not indicate an arrival or departure date for the trip.			
Date	Amount	Vendor	Description
03-22-07	\$ 452.58	The Eldridge Hotel	Martin Per Receipt: "Peterson-Keogh Wedding"
03-22-07	\$ 42.48	Supershuttle Phoenix, AZ	Travel transportation to airport -Benedictine College-Keogh wedding
03-23-07	\$ 20.00	CVS Kansas City, MO	Travel Misc. (medicine)- Benedictine College-Keogh wedding
03-23-07	\$ 40.63	Free State Brewing Lawrence, KS	Travel F&B (Junkers) Keogh wedding
03-24-07	\$ 306.40	US Airways from Kansas City MO to Phoenix AZ - S. Junker	Travel Air - Benedictine College-Keogh wedding
03-24-07	\$ 306.40	US Airways from Kansas City MO to Phoenix AZ - M. Junker	Travel Air - Benedictine College-Keogh wedding
03-24-07	\$ 563.35	Marriott Kansas City MO	Travel Air - Benedictine College-Keogh wedding
03-24-07	\$ 306.40	US Airways from Kansas City MO to Phoenix AZ - J. Junker	Travel Air - Benedictine College-Keogh wedding
03-24-07	\$ 222.36	Marriott Kansas City, MO	Travel Air - Benedictine College-Keogh wedding
03-24-07	\$ 174.07	Eldridge Hotel, Lawrence, KS	Travel Air - Benedictine College-Keogh wedding
03-25-07	\$ 348.14	The Eldridge Hotel	Schumacher: Peterson- Keogh Wedding
03-25-07	\$ 465.84	Eldridge Hotel Lawrence, KS	Junker travel hotel-Keogh Wedding
03-25-07	\$ 400.69	Hertz Car Rental Kansas City, MO	Travel (rental car)- Benedictine College-Keogh wedding
03-25-07	\$ 82.00	Sky Harbor Airport Phoenix, AZ	Travel parking-Benedictine College-Keogh wedding
03-25-07	\$ 14.06	HMS Host MIC Airport Kansas City, MO	Travel F&B-Benedictine College-Keogh wedding
03-28-07	\$ 399.07	Four Seasons Hotel Vancouver, BC	Gifts: Keogh wedding
Total	\$ 13,086.77		

Junker stated that the reason the Fiesta Bowl made these expenditures in conjunction with the Keogh wedding was because Keogh's mother works for Kansas State Head Coach Bill Snyder, who had recommended Keogh for her position at the Fiesta Bowl and whose family was well-represented at the Keogh wedding.¹²³⁵ Junker said, "We viewed the wedding as, essentially, an affair of state — albeit on a non-royal scale — for that reason."¹²³⁶ Junker also noted that Keogh's father worked at the University of Kansas (another Big 12 member).¹²³⁷ Finally, Junker stated that he combined his family's trip to the Keogh wedding with a speaking engagement at Benedictine College near Atchison, Kansas, and a dinner with the Benedictine College president, other staff members, and their spouses.¹²³⁸

b. iPad purchases

Junker spent more than \$3,000 on iPads and accessories in May 2010, and another \$2,400 on iPads and accessories in August 2010.¹²³⁹ The iPads purchased in May were given to Junker, Wisneski, and Fields, while Keogh and Simental received the iPads purchased in August.¹²⁴⁰ How these items should be coded was discussed within the office.¹²⁴¹ Holt recalled they were originally coded to "computers," but that Eyanson then asked if individuals would take their iPads with them if they left their Fiesta Bowl jobs.¹²⁴² When the

¹²³⁵ Junker Extension of Remarks at 2-3; R00697.

¹²³⁶ *Id.* at 2.

¹²³⁷ *Id.* at 3.

¹²³⁸ *Id.*

¹²³⁹ Schedule P.

¹²⁴⁰ Keogh 11-22-10 Int. at 11; Holt 11-23-10 Int. at 3.

¹²⁴¹ Holt 11-23-10 Int. at 3.

¹²⁴² *Id.*

answer was "yes," Holt recalled, the iPads were then coded as Junker's gift.¹²⁴³

Our review of the handwritten notations on Junker's American Express Statements, indicates that the first batch of iPads was coded one way and the second batch coded another way.¹²⁴⁴ The iPads and accessories purchased in May were described as "office supplies" and expensed to account 106.1843 ("Computer Expense"); those purchased in August were described as "VIP Gifts" (despite the fact that they apparently were given to Keogh and Simental, two administrative assistants) and were expensed to four different accounts, including 86.1865 ("Admin. Dept. Flowers/Gifts"); 87.1865 ("Business/Ticket Dept. Flowers/Gifts"); 88.1865 ("Mkt. Dept./Game Ops Flowers/Gifts"); and 89.1865 ("Events Ops Dept. Flowers/Gifts").¹²⁴⁵

Junker stated that he purchased the iPads for his senior staff and that "[m]ine belongs to the Fiesta Bowl. As far as I know it's the Fiesta Bowl's."¹²⁴⁶ When asked why some were coded as gifts, Junker said, "I didn't do the coding."¹²⁴⁷

Wisneski said that the iPads were originally presented to staff as a gift from Junker.¹²⁴⁸ She noted, however that during recent weeks when the Bowl has been putting together a breakdown of gifts to staff members in order to amend their W-2 forms, Junker is now saying that the iPads are for business and that he intends to

¹²⁴³ *Id.*

¹²⁴⁴ E02106-12; E02135-44.

¹²⁴⁵ E02106-12; E02135-44; E09401-13; E09401-413.

¹²⁴⁶ Junker 1-31-11 Int. at 21.

¹²⁴⁷ *Id.*

¹²⁴⁸ Wisneski 2-10-11 Int. at 11.

return his when he leaves.¹²⁴⁹ "But that's not how he presented it the first time when he gave it to Jay and me," Wisneski said.¹²⁵⁰

c. Miscellaneous examples of employee gifts

Recent examples of employee "gifts" include a \$2,024.95 charge to Rue La La (a members only "premium brand" boutique) on June 7, 2010, and a \$1,601.99 charge to a Kate Spade store in King of Prussia, Pennsylvania, on June 23, 2010.¹²⁵¹ Both items were described as "Gifts-Variious Admin" on Junker's American Express statements.¹²⁵²

In March 2010, Junker charged \$1,500 to Crate and Barrel for "wedding gifts" for employees Denae Schumacher and Jordan Hackney and for Fiesta Bowl consultant/lobbyist Charles Coughlin.¹²⁵³ The Fiesta Bowl also charged \$319 to a restaurant for a wedding shower for Schumacher in March 2010.¹²⁵⁴ Junker purchased a \$604 gift from Scottsdale Fashion for Kelly Keogh in January 2009, and, in November 2008, spent \$4,000 at Nordstrom's for gifts for various staff members.¹²⁵⁵ The Fiesta Bowl reimbursed Junker for all these gifts.¹²⁵⁶

When presented with certain of her expenses to review, including purchases of gift cards, Wisneski identified a particular expense (\$460 in gift cards from various vendors) and stated these

¹²⁴⁹ *Id.*

¹²⁵⁰ *Id.*

¹²⁵¹ Schedule P.

¹²⁵² E02117; E02120.

¹²⁵³ E02088.

¹²⁵⁴ E02089.

¹²⁵⁵ E01906; E01881.

¹²⁵⁶ Schedule P.

are "gift cards that are purchased to have on hand for staff. We purchase these every year, maybe once or twice."¹²⁵⁷ When she was asked if the gift cards could be reimbursements for campaign contributions, and how she could tell if they weren't, she responded, "They wanted cash; they would not want a gift card from Chili's."¹²⁵⁸

8. Travel with family members

Our analysis of Junker's American Express statements and expense reports show that the Fiesta Bowl reimbursed Junker for trips that he took with his wife and children.¹²⁵⁹ According to Junker, the trips with his family were authorized by the Board.¹²⁶⁰ Junker stated, "Because I travel so much, it became a practice with the Board chairs saying 'John you make sure you take the opportunity to take your family on a couple trips a year' and we extended the policy to the Board chairs."¹²⁶¹ Junker stated that he told each Board chair that they too should include their spouses on at least two trips per year.

Junker said he doubted there was a written policy addressing this practice, but that "it just became standard practice."¹²⁶² He further noted, "It was part of the understanding by the senior members of the Board that John has a stressful job so time permitting he should include his family."¹²⁶³

Counsel to the Special Committee interviewed the following former chairs of the Board of Directors of the Fiesta Bowl on the

¹²⁵⁷ Wisneski 3-3-11 Int. at 7.

¹²⁵⁸ *Id.*

¹²⁵⁹ Schedule R.

¹²⁶⁰ Junker 1-31-11 Int. at 10.

¹²⁶¹ *Id.*

¹²⁶² *Id.*

¹²⁶³ *Id.*

subject of the Junker family joining Junker on business trips, or tacking family vacations on to business trips: Hickey (2001), Horrell (2002), Levitt (2003), Flores (2004), Allen (2005), Ziegler (2006), Stemple (2007), Tilson (2008), and Young (2009). Each one reported that he or she had no recollection of the Fiesta Bowl ever authorizing such a practice.¹²⁶⁴

The Fiesta Bowl employee manual for 2004 lists this policy for "Combining Business and Personal Travel":

An employee may combine a personal trip with a business trip so long as the cost associated with the personal portion of the trip is clearly defined, and the cost of including the personal trip does not increase the expenses of the business trip. Any incremental cost incurred is the employee's responsibility.¹²⁶⁵

This language appears in the employee manual for other years as well.¹²⁶⁶ Among the non-reimbursable expenses in the 2004 employee manual are "expenses solely related to vacation or personal days while on business trips."¹²⁶⁷

Our analysis of the Junker American Express statements shows that since 2000, there have been at least 27 trips where one or more members of the Junker family (other than Junker) have charged the Fiesta Bowl for their travel.¹²⁶⁸ One of these trips spanned 16 days – from June 2 to June 18, 2008 – and included a trip with all four

¹²⁶⁴ Hickey 2-18-11 Int. at 2; Horrell Int. at 4; Levitt Int. at 4; Flores Int. at 3; Allen 2-15-11 Int. at 2; Ziegler 2-15-11 Int. at 3; Stemple Int. at 3; Tilson 2-15-11 Int. at 3; Young 2-18-11 Int. at 4.

¹²⁶⁵ R00053.

¹²⁶⁶ R00101; R00146; R00194.

¹²⁶⁷ R00052; *see also* R00101; R00145; R00194.

¹²⁶⁸ *See* Junker 1-31-11 Int. at 10; Schedule R.

Junker family members to Santa Barbara, California, for "senior staff workshops," then to San Diego for a "Diablos retreat,"¹²⁶⁹ then to another hotel in San Diego for more "senior staff workshops," then home to Phoenix on June 18, 2008.¹²⁷⁰ In addition, the Bowl purchased a return airline ticket for Tess Hilliard, who appears to have been a classmate of Junker's then-high-school-age daughter, Lucy.¹²⁷¹ Junker stated that he thought he had paid for the Hilliard ticket and that if he did not it was just the result of an oversight or coding error.¹²⁷²

Before she passed away, Junker's mother-in-law lived in Portland, Oregon.¹²⁷³ Junker's American Express statements show at least five trips to Portland with his wife and children.¹²⁷⁴ Round trip tickets to Portland were purchased by the Fiesta Bowl for all four Junker family members in May 2000, June 2000, April 2001, July 2001, and November 2001.¹²⁷⁵ The Fiesta Bowl also has paid for Junker's family to travel to Orlando, Florida, to see the Space Shuttle launch, to Las Vegas, with no business purpose identified, and to various college football games throughout the country.¹²⁷⁶

On certain of the trips to Oregon, Junker would visit or golf with Nike representatives.¹²⁷⁷ Junker said that Nike was a major

¹²⁶⁹ This appears to be a retreat for a service organization based in Tempe. R00729.

¹²⁷⁰ Schedule R.

¹²⁷¹ Junker 1-31-11 Int. at 21; R00735.

¹²⁷² Junker Extension of Remarks at 4-5; R00699.

¹²⁷³ Junker 1-31-11 Int. at 4.

¹²⁷⁴ Schedule R.

¹²⁷⁵ *Id.*

¹²⁷⁶ *Id.*

¹²⁷⁷ *See, e.g.,* Schedule F at 3-31-09 Meals Summary.

sponsor for the Spring Football Seminar and thus was very important to the Fiesta Bowl.¹²⁷⁸

Another example of Junker family travel involves a trip Junker and his wife Susan took in January 2004 to San Francisco.¹²⁷⁹ The trip is described on Junker's American Express statements as "NAPPA [sic] Property Inspect Visit."¹²⁸⁰ The description suggests that this January trip may have been to "inspect" venues for some upcoming trip, although we could not find any subsequent Fiesta Bowl travel to Napa Valley for either staff, legislative or VIP trips until years later.¹²⁸¹ The Fiesta Bowl paid more than \$2,600 for Susan and John Junker to fly to San Francisco, stay a number of nights at the Four Seasons Hotel in San Francisco, rent a car, go to a Napa Valley winery, and eat at fine Napa Valley and San Francisco restaurants.¹²⁸²

In a written "Extension of Remarks" Junker submitted to counsel to the Special Committee, Junker explained the purpose of this trip: "I have now confirmed that this trip was made to visit with Coach Tedford and some of his coaching staff. Our visit to the vineyards occurred on one-side or the other of that visit. As indicated, we discussed issues of importance to the Fiesta Bowl with Coach Tedford and his staff."¹²⁸³

¹²⁷⁸ Junker 1-31-11 Int. at 12-13.

¹²⁷⁹ Schedule R.

¹²⁸⁰ E00790-92.

¹²⁸¹ Schedule F.

¹²⁸² Schedule R.

¹²⁸³ Junker Extension of Remarks at 3; R00698.

9. Travel and entertainment with employees and consultants

Our review of the top Fiesta Bowl executives' American Express statements, as well as interviews and other anecdotal information, demonstrates that the Fiesta Bowl paid for meals, travel, and sometimes entertainment for internal meetings with just the Fiesta Bowl employees and/or consultants with close relationships to the Fiesta Bowl.

Wisneski confirmed that when two Fiesta Bowl employees go to lunch they frequently bill the lunch to the Bowl.¹²⁸⁴ A review of the American Express statements and expense reports from the top executives gives an indication of the frequency of these lunches and dinners.¹²⁸⁵ (In many cases, only initials of the people attending the meals were mentioned in the handwritten descriptions, requiring us to make assumptions regarding the matching of names with initials.) For the year ended March 31, 2009, for example, Junker's American Express statements and expense reports showed that the Fiesta Bowl paid \$3,884.57 for meals with Junker and members of his staff, including a \$1,874.61 senior staff December meeting at Mastro's Drinkwater.¹²⁸⁶ For the year ended March 31, 2009, Fields, Schoeffler, and Wisneski were reimbursed for local meals with co-workers in the combined amount of \$8,717.28.¹²⁸⁷ Junker reported that this practice of expensing meals – independent of travel – has been the practice at the Fiesta Bowl since at least the time he got there in 1980.¹²⁸⁸

¹²⁸⁴ Wisneski 12-9-10 Int. at 7.

¹²⁸⁵ Schedules F, H, I, J, and K.

¹²⁸⁶ Schedule S.

¹²⁸⁷ Schedule S.

¹²⁸⁸ Junker 1-31-11 Int. at 21.

The Fiesta Bowl's senior executives go to a resort for a week each year, often to the Montage Resort and Spa in Laguna Beach, California, to hold executive workshops.¹²⁸⁹ The Fiesta Bowl has paid for spouses and children to attend these retreats, as well as special guests, such as the Chair of the Board and legal counsel.¹²⁹⁰ Although the agendas for these meetings show that business is conducted at these workshops, Wisneski called them a "questionable" expense, noting that the business meetings take place Monday through Wednesday, and on Thursday and Friday, attendees stay to play golf.¹²⁹¹ Executive Committee members, often including the Board Chair and General Counsel Williams, have attended these retreats as well.¹²⁹²

About these retreats, Junker stated:

Not every summer, but many summers, we'd have a period where we take senior staff away from the day-to-day activities to do long-term planning. We have had Board Members through the years, including, Craig Williams, Mr. Allen and Mr. Young. We also created an atmosphere they could maybe bring their spouses and children and theoretically we could have stayed at the Space-Age Lodge in Gila Bend, but it's not a very nice place to be in July. . . . [W]e have to make people think about the future.¹²⁹³

When asked about the inclusion of spouses and children, Junker stated:

¹²⁸⁹ Junker 1-31-11 Int. at 9.

¹²⁹⁰ Junker 1-31-11 Int. at 9; Schedules F, H, I, J, and K.

¹²⁹¹ Wisneski 12-9-10 Int. at 7; R02004-17.

¹²⁹² R02004-17; Allen 2-15-11 Int. at 3; Stemple 2-15-11 Int. at 3 (getting the name of the hotel correct but placing it in San Diego); Tilson 2-15-11 Int. at 3.

¹²⁹³ Junker 1-31-11 Int. at 9.

Yes, I wanted it that way. We have very demanding jobs. They are under a lot of stress at work and they work hard and there is a toll taken on families and this is one way we can express to the families that we appreciate them and they [contribute] to our productivity.¹²⁹⁴

In another example of an employee trip, Wisneski recalled that Junker used Fiesta Bowl funds to buy concert tickets for staff members to attend the Brian Wilson concert in New York.¹²⁹⁵ Wilson was selected as the musical act at the 2008 Fiesta Invitational, a fundraising event that precedes the Fiesta Bowl.¹²⁹⁶ According to Wisneski, Junker gave the tickets, and travel expenses, to employee Keogh and fellow employee Megan Toohey because they had family members in New York.¹²⁹⁷ Wisneski said that trips like these were "personal favors with a business component."¹²⁹⁸ The trip cost the Bowl at least \$1,952.63.¹²⁹⁹

Wisneski reported that "it was very typical for John to purchase trips for staff members. He did it to keep, in some of my cases, to keep a relationship going with future needs. So in my case, with my expenses, he wants me to keep a relationship with Molly Morton at Montage because he wants good rates, wanted spa certificates" for the retreats the Fiesta Bowl has held there.¹³⁰⁰

¹²⁹⁴ Junker 1-31-11 Int. at 9.

¹²⁹⁵ Wisneski 2-10-11 Int. at 11.

¹²⁹⁶ *Id.*

¹²⁹⁷ *Id.*

¹²⁹⁸ *Id.*

¹²⁹⁹ Schedule Z.

¹³⁰⁰ Wisneski 2-10-11 Int. at 11.

Wisneski also discussed a retreat she took in 2009 with a Hispanic businesswomen's group to Paris, France.¹³⁰¹ She reports that she asked Junker about this trip and he thought it was a good idea for her to go.¹³⁰² She reported that Junker thought that she "should get out in the Hispanic community" and said the Fiesta Bowl would pay her expenses.¹³⁰³

In addition to these expenditures, several others stand out either because of the nature of the expense and/or the amount. Several are highlighted below.

a. Strip club visits

On September 12, 2008, Junker, Aaron Brown, and Shawn Schoeffler spent the evening at Phoenix's Bourbon Street,¹³⁰⁴ which claims to be a "World Famous Strip Club."¹³⁰⁵ Aaron Brown is a Maricopa County Sheriff's lieutenant who owns Blue Steel Consulting, Inc., a company that provides security services to the Fiesta Bowl.¹³⁰⁶

Junker's American Express statement includes five separate charges from Bourbon Street for the evening, totaling \$1,241.75.¹³⁰⁷ (The men also spent \$46 at Z Tejas, a restaurant, and \$48.47 at Tilted Kilt, a bar, that evening, all paid for by the Fiesta Bowl.)¹³⁰⁸ Junker acknowledged that the more than \$1,200 spent at Bourbon Street that

¹³⁰¹ Wisneski 2-16-11 Int. at 3.

¹³⁰² *Id.* at 3-4.

¹³⁰³ *Id.* at 4.

¹³⁰⁴ Junker 1-11-11 Int. at 21-22; Brown 12-16-10 Int. at 5.

¹³⁰⁵ R00738.

¹³⁰⁶ Brown 12-16-10 Int. at 1, 2.

¹³⁰⁷ E01851; E01857.

¹³⁰⁸ E01851.

evening was not all spent for food and drink but "in all likelihood" included the payment for women to dance for them.¹³⁰⁹ One of the investigators retained by counsel to the Special Committee conducted an investigation that concluded that the individual amounts that totaled up to the night's charges equated with the charges for private dances.¹³¹⁰ The Fiesta Bowl paid for the drinks and all the strip club charges.¹³¹¹

The handwritten description on Junker's American Express statement for the strip club visit said "Junker, A. Brown--security site planning."¹³¹² Junker stated that they did discuss business during the evening and that there was a business purpose to the Bourbon Street visit: "We are in the business where big strong athletes are known to attend these types of establishments. It was important for us to visit and we certainly conducted business."¹³¹³ Brown stated that it was his fault that they went to Bourbon Street and that he had pushed Junker to go.¹³¹⁴ Brown said they had "normal business discussions" while at Bourbon Street.¹³¹⁵

Our review of other executives' American Express statements found several other apparent visits to Bourbon Street. Schoeffler's American Express statements, for example, show that Schoeffler was reimbursed by the Fiesta Bowl for six other visits to Bourbon Street,

¹³⁰⁹ Junker 1-11-11 Int. at 22.

¹³¹⁰ R02344.

¹³¹¹ E01851; E01857.

¹³¹² *Id.*

¹³¹³ Junker 1-11-11 Int. at 22.

¹³¹⁴ Brown 12-16-10 Int. at 5.

¹³¹⁵ *Id.*

although his charges per visit (ranging from \$45.75 to \$145.50) were significantly lower than the September 12, 2008 visit noted above.¹³¹⁶

Likewise, Fields' American Express statements show two charges to Bourbon Street, one on September 2, 2009, for \$400, and another on September 3, 2009, for \$48.25.¹³¹⁷

According to the 2007 Fiesta Bowl employee manual, reimbursement for strip club expenses is not permitted: "[T]he Company will not reimburse expenses incurred in ladies or gentlemen's clubs, gambling establishments or any similar type of establishment."¹³¹⁸ Earlier and later versions of the manual contain the same language.¹³¹⁹

b. Grand Del Mar trip

Junker's American Express statements and expense reports show that in October 2009, the Fiesta Bowl spent more than \$4,000 for Junker and former Chair Allen to fly to San Diego and meet with Husk, play golf, and spend several nights at the Grand Del Mar in San Diego.¹³²⁰ Wisneski and Junker reported that Husk has a home and office in the San Diego area.¹³²¹ Keogh has identified this trip as an expense that she believed did not have a business purpose.¹³²²

Junker said that he thought that he had met with Husk at the Grand Del Mar to discuss the BCS.¹³²³ With respect to the distant

¹³¹⁶ E04647; E04749; E04601; E04326; E04311; E04116.

¹³¹⁷ E06002.

¹³¹⁸ R00144.

¹³¹⁹ R00193; R00100.

¹³²⁰ Schedule T.

¹³²¹ Wisneski 3-3-11 Int. at 11; Junker 1-31-11 Int. at 8.

¹³²² E09728-43.

¹³²³ Junker 1-31-11 Int. at 8.

location of this meeting, Junker noted that "one of the things I was interested in was getting away from the telephones and things like that. We did long-range planning."¹³²⁴ He stated that Allen's presence was significant because Allen was the "man in charge of our stadium agreements — he is an accountant by trade but knows more about how all the agreements work."¹³²⁵ Junker said Allen had no objection to the trip, but rather, "He agreed it was a good idea to go, yes, he knew the importance of doing long-range thinking."¹³²⁶

10. Financial-advice subscriptions

Junker's American Express statements show that over the past several years, the Fiesta Bowl has reimbursed Junker for subscriptions to financial advice periodicals and services worth thousands of dollars.¹³²⁷ These subscriptions include the following:

- \$1,595 to Fractal Publishing on 11-26-2009. According to its website, Fractal Publishing offers *The Fractal Market Report* and *The Fractal Gold Report*, providing "a detailed forecast for equity markets, as well as selected other markets like silver, bonds, and crude oil."¹³²⁸
- \$850 to Grant's Financial on 7-23-2008 and 5-20-2009.¹³²⁹ Grant's Interest Rate Observer is "an

¹³²⁴ *Id.*

¹³²⁵ *Id.*

¹³²⁶ *Id.*

¹³²⁷ Schedule U.

¹³²⁸ R00739.

¹³²⁹ Schedule U.

independent, value-oriented and contrary-minded journal of the financial markets."¹³³⁰

- \$40 monthly subscription to Innovomark, which the handwritten American Express descriptions describe as providing "market force analysis."¹³³¹
- \$199 on 3-12-2009 and \$299 on 3-4-2010 to Le Metropole, Inc.,¹³³² a company whose website states that it is "where Gold Investors come for crucial market insight."¹³³³
- \$89 payment on 10-13-2009 to the Shadow Government Statistics newsletter,¹³³⁴ an "electronic newsletter service that exposes and analyzes flaws in U.S. government economic data and reporting. . . ."¹³³⁵

When asked who was responsible for managing the investment of the Fiesta Bowl's money, Junker stated, "It's set up that it's the Chair as much as anyone."¹³³⁶ Wisneski said Junker told her that the financial subscriptions were all business related because he was trying to keep an eye on financial matters for the Fiesta Bowl.¹³³⁷

¹³³⁰ R00740-41.

¹³³¹ Schedule U.

¹³³² *Id.*

¹³³³ R00742-43.

¹³³⁴ Schedule U.

¹³³⁵ R00744-45.

¹³³⁶ Junker 1-31-11 Int. at 17.

¹³³⁷ Wisneski 2-10-11 Int. at 12.

11. Gold coins

At various times, Junker has caused the Fiesta Bowl to purchase gold and silver coins from Resource Consultants, Inc. For example, in the past two years, the Fiesta Bowl made the following purchases of gold coins: \$14,740 on October 23, 2008, \$9,250 on December 15, 2008, and \$7,560 on December 22, 2009.¹³³⁸

Junker said that he purchased the coins as gifts to employees.¹³³⁹ In December 2002, Junker's expense report shows reimbursements of \$2,220 for gold coins from the same vendor, coded to "Staff Gifts" and listing Wisneski, Blouin, Laybourne, Schoeffler, Guerra, and Martin as recipients.¹³⁴⁰ A number of individuals we interviewed reported that they had received coins from Junker.¹³⁴¹ Eyanson, for example, recalled that in December 2008, Junker called her into his office and gave her a container of silver coins as a Christmas gift.¹³⁴² She said she took her container with approximately 5-10 silver coins home, put it in a drawer, and has not looked at it since.¹³⁴³ Eyanson provided us with documents showing the initials and names of the other individuals at the Bowl who had likely received gold coins as gifts.¹³⁴⁴

Junker stated that he believed that he had repurchased the coins from the Fiesta Bowl.¹³⁴⁵ However, the Fiesta Bowl has a safe in

¹³³⁸ R02404-16; R00906-14.

¹³³⁹ Junker 1-31-11 Int. at 17.

¹³⁴⁰ E03296.

¹³⁴¹ See C. Martin Int. at 8; Wisneski 2-10-11 Int. at 9; Eyanson 11-29-10 Int. at 20; Keogh 1-13-11 Int. at 8.

¹³⁴² Eyanson 11-29-10 Int. at 21.

¹³⁴³ Eyanson 11-29-10 Int. at 20.

¹³⁴⁴ R02405; R02408.

¹³⁴⁵ Junker 1-31-11 Int. at 17.

its office that — according to inventories performed by Holt and Eyanson in December 2010 and again in January 2011 — holds a number of gold and silver coins.¹³⁴⁶ The gold coins have been identified by Eyanson and Holt as twelve \$20 gold coins ranging in date from 1877 to 1924.¹³⁴⁷ The Bowl also continues to hold recent vintage silver coins.¹³⁴⁸

Eyanson reported the coin purchases were treated as follows:

- The October 2008 purchase was originally coded as a “miscellaneous expense,” but on March 31, 2009, was moved to the “other cash equivalents” account.¹³⁴⁹
- The December 2008 purchase was originally coded to “miscellaneous expense,” and then \$4,500 of that total was moved to Junker’s employee receivable account.¹³⁵⁰ The remainder was moved to a Junker gift account.¹³⁵¹ Junker paid off the receivable amount in June 2009.¹³⁵²
- The December 2009 purchase was coded as a “miscellaneous expense.”¹³⁵³

Eyanson reported that based on her reading of the invoices, gifts, and transfers, the Bowl should “have \$22,300 worth of coins in our possession.”¹³⁵⁴

¹³⁴⁶ Eyanson 11-29-10 Int. at 20.

¹³⁴⁷ R02410.

¹³⁴⁸ *Id.*

¹³⁴⁹ R02409.

¹³⁵⁰ *Id.*

¹³⁵¹ *Id.*

¹³⁵² *Id.*

¹³⁵³ *Id.*

Fiesta Bowl Board members stated that they were not aware that the Fiesta Bowl was holding gold as an investment.¹³⁵⁵ As a general matter, it is unclear who is in charge of guiding the Bowl's investment strategy for its available cash.¹³⁵⁶

12. Expenditures on consultants/independent contractors

The Fiesta Bowl has a number of relationships with consultants or independent contractors who provide a variety of services to the Bowl. Below, we address some of the contractors upon whom the Fiesta Bowl has expended relatively significant amounts of money.

a. Blue Steel Consulting

Blue Steel Consulting, Inc. is a security consulting company owned by Aaron Brown, a lieutenant in the Maricopa County Sheriff's Office.¹³⁵⁷ Brown stated that Blue Steel Consulting provides "VIP liaison" between federal agencies and the Fiesta Bowl, as well as services for dignitaries that may come in for the Bowl by establishing the routes they should take.¹³⁵⁸ Although much of the work occurs primarily during and just prior to game week, Junker and Brown state that Blue Steel also provides year-round services to the Fiesta Bowl.¹³⁵⁹ Brown reports that some of the types of incidents

¹³⁵⁴ *Id.*

¹³⁵⁵ Ellis 12-8-10 Int. at 5; D. Woods 12-16-10 Int. at 9; Vinciguerra Int. at 7.

¹³⁵⁶ See, e.g., Vinciguerra Int. at 7, 9; Junker 1-31-11 Int. at 17; Wisneski 2-10-11 Int. at 12.

¹³⁵⁷ Brown 12-16-10 Int. at 1-2.

¹³⁵⁸ *Id.* at 2.

¹³⁵⁹ *Id.* at 2, 3.

Blue Steel has encountered over the years include people using false credentials in the parades and employees who are being stalked.¹³⁶⁰

When first asked how he was compensated by the Bowl for his services, Brown stated that he is paid \$50 per hour.¹³⁶¹ Brown was then told that counsel to the Special Committee had requested, but had not yet received, a copy of the contract between the Fiesta Bowl and Blue Steel Consulting.¹³⁶² Brown then stated that he did not charge hourly, but rather was paid \$91,000 twice a year, in April and November.¹³⁶³ Brown stated that he does not charge any more during a National Championship year.¹³⁶⁴

In 2009, according to Brown, Blue Steel Consulting received \$250,000 from the Fiesta Bowl as an initial deposit.¹³⁶⁵ Eyanson said that Junker had told her that Brown needed the money to get his company up and running: "John had told me, 'Give him the money up front and then he won't bill us for the National Championship things.' So that's what we did."¹³⁶⁶

As reflected in the August 11, 2009 contract between Blue Steel Consulting, Inc. and the Fiesta Bowl, the Fiesta Bowl actually provided to Blue Steel Consulting two "deposits" — \$200,000 on May 1, 2009, and \$151,000 on July 1, 2009 — for a total of \$351,000, which the contract defines as an advance for services to be rendered.¹³⁶⁷ Junker confirmed that the Bowl had paid Blue Steel

¹³⁶⁰ *Id.* at 4.

¹³⁶¹ *Id.* at 3.

¹³⁶² *Id.* at 3.

¹³⁶³ *Id.* at 3-4.

¹³⁶⁴ *Id.* at 4.

¹³⁶⁵ *Id.*

¹³⁶⁶ Eyanson 1-13-11 Int. at 10.

¹³⁶⁷ R00747.

Consulting \$350,000 up front, explaining that Brown had made it clear that if the Bowl advanced the initial sum up front, he could provide additional services that would reduce the cost of the Bowl's security.¹³⁶⁸ Junker stated that security for the National Championship Game was included at no extra cost, "and that was a substantial savings."¹³⁶⁹ Junker said that Brown does not work just during and immediately preceding the game, but rather "he's available 365 days a year for us."¹³⁷⁰ (Brown's job as a lieutenant for the Maricopa County Sheriff's Department is a full-time job, although Brown states that he takes vacation from December 15 through January 10.)¹³⁷¹

Junker gave the following examples of the types of security Blue Steel Consulting has provided:

- Providing motorcycle escorts for the teams. (When asked specifically whether Blue Steel physically provides the escort or does so through a liaison with a local law enforcement department, Junker responded, "No, that's Blue Steel.")
- Serving as liaison between 36 law enforcement agencies.
- Participating in Homeland Security briefings.
- Participating in Joint Terrorism Task Force briefings.
- Monitoring traffic lights at major intersections.

¹³⁶⁸ Junker 1-11-11 Int. at 18-19.

¹³⁶⁹ *Id.* at 19.

¹³⁷⁰ *Id.*

¹³⁷¹ Brown 12-16-10 Int. at 2, 5.

- Addressing public safety issues involving drunk and disorderly persons.
- Serving as liaison with police officers traveling with the Fiesta Bowl teams.
- Coordinating and investigating the illegal sale of counterfeit tickets.
- Coordinating routes and security for visiting dignitaries.
- Working closely with Rick Knight, Arizona Cardinals Security Manager.¹³⁷²

Board Chair Duane Woods stated that while there was a need for drivers during the Fiesta Bowl, he was uncertain as to the extent Blue Steel was necessary: "I would personally say no, they're not needed."¹³⁷³ Likewise, former Chair Alan Young said that he believed the payments to Blue Steel were excessive.¹³⁷⁴

Junker stated that he used Blue Steel in reference to his daughter's prom when Joe Garcia, a deputy sheriff for Maricopa County, drove Junker's daughter to the prom and the subsequent all-night party.¹³⁷⁵ Junker said while he paid Garcia approximately \$60 to \$80 in cash, he also believed that Blue Steel compensated Garcia to accompany Junker's daughter to the prom.¹³⁷⁶ Junker further stated, "I don't think anybody would have a problem with someone doing that for my daughter as a measure of my daughter's security."¹³⁷⁷

¹³⁷² Junker 1-11-11 Int. at 20.

¹³⁷³ D. Woods 12-16-10 Int. at 10.

¹³⁷⁴ Young 12-16-10 Int. at 7.

¹³⁷⁵ Junker 1-11-11 Int. at 21.

¹³⁷⁶ *Id.*

¹³⁷⁷ *Id.*

When asked if Junker's cash payment from the ATM to Garcia was a "tip" in addition to the Bowl's payment to Blue Steel for Garcia's time in accompanying Junker's daughter to the prom, Junker stated that he could not recall.¹³⁷⁸

Brown stated he paid Joe Garcia to drive Junker's daughter to the prom: "I think I paid him for the hours he waited, \$50 an hour, but he wasn't security, he was the driver."¹³⁷⁹ He denied that he billed this service to the Fiesta Bowl.¹³⁸⁰

b. Payments to a third party related to the Parade

Since 2003, the Fiesta Bowl has made annual payments ranging from \$34,000 in 2003 to \$47,500 in 2010 to a third-party company.¹³⁸¹ The president of this third-party company is Person X,¹³⁸² whom individuals at the Fiesta Bowl have identified as a liaison between the Fiesta Bowl and the Fort McDowell Yavapai Nation.¹³⁸³ The Yavapai Nation is a sponsor of the Fiesta Bowl parade.¹³⁸⁴

Fiesta Bowl records¹³⁸⁵ show that the following payments were made to this company:

¹³⁷⁸ *Id.*

¹³⁷⁹ Brown 12-16-10 Int. at 4.

¹³⁸⁰ Brown 12-16-10 Int. at 4.

¹³⁸¹ E09327-49.

¹³⁸² The identity of the company and person has been removed from this report because of a confidentiality clause in a contract, but is known to the Special Committee, its counsel, and to the Fiesta Bowl.

¹³⁸³ Guerra Int. at 3; Simental 1-13-11 Int. at 11; Wisneski 12-9-10 Int. at 8.

¹³⁸⁴ Simental 11-13-11 Int. at 10-12.

¹³⁸⁵ E09327-49.

Paid to	Date	Amount
Company X	08-27-03	\$ 34,000
Company X	10-02-04	\$ 35,000
Company X	10-11-05	\$ 36,000
Company X	09-05-06	\$ 40,000
Company X	11-09-07	\$ 37,500
Company X	10-01-08	\$ 42,500
Company X	11-02-09	\$ 42,500
Company X	10-01-10	\$ 47,500
Total		\$315,000

There is a written contract between the Fiesta Bowl and Company X dated June 26, 2003, which states that Company X will receive a payment on October 1 of each year through 2008 consisting of 10% of the Tribe's sponsorship of the Fiesta Bowl.¹³⁸⁶ The agreement also contains a "minimum fee schedule" showing an increasing minimum fee for each year, starting with \$34,000 in 2003 and ending with \$37,500 in 2008.¹³⁸⁷

In addition to the annual fee, the contract provides that Company X will receive six Fiesta Bowl football game tickets on the west side of the stadium between the two 35 yard line markers in the first tier with three parking passes.¹³⁸⁸ The June 2003 contract between the Fiesta Bowl and Company X also contains a confidentiality clause.¹³⁸⁹

¹³⁸⁶ R00760.

¹³⁸⁷ *Id.*

¹³⁸⁸ R00761.

¹³⁸⁹ *Id.*

Even though the contract ended in 2008, the Fiesta Bowl does not appear to have entered into another written agreement with Company X.¹³⁹⁰ Nonetheless, the Fiesta Bowl has continued making payments to Company X.¹³⁹¹ In 2009, Person X sent an email to Junker stating:

As per the agreement between Company X and Fiesta Bowl the total amount due immediately payable to Company X /DBA Person X \$42,500 [address redacted] Scottsdale, AZ 85252

Please call to confirm you have received this invoice.

Person X [phone number redacted]¹³⁹²

Simental stated that Person X would call the Fiesta Bowl stating that he wanted his money and his tickets, and that he was difficult to deal with:

I don't know what he does. Kelly doesn't know what he does. It's kind of one of those "why are we doing this" things. We would just roll our eyes and say "Oh, there he is again."¹³⁹³

Simental stated that, after 2008, Keogh contacted Person X about needing a new contract, but that Person X "never produced anything but told us to just pay him."¹³⁹⁴

¹³⁹⁰ Simental 1-13-11 Int. at 11.

¹³⁹¹ *Id.*; see also E09327-49.

¹³⁹² R00763.

¹³⁹³ Simental 1-13-11 Int. at 11.

¹³⁹⁴ *Id.* at 11-12.

Records from the Arizona Corporation Commission show that Company X incorporated in 1988, but that its status was revoked in 1993 for failure to file an annual report.¹³⁹⁵ Upon learning that Company X was not in good standing with the state of Arizona, Junker stated, "No one ever brought that to my attention."¹³⁹⁶

Erika Pumphrey, Director of Sales at the Fiesta Bowl, said, "When I started, we renegotiated the sponsorship. I think, a gentleman by the name of Person X initially worked with John Junker on it prior to my hiring. Since then, we've developed a relationship and just re-signed them for another four years."¹³⁹⁷ Since Pumphrey began her employment with the Bowl in 2006, she has been in charge, with Fields, of negotiating with Fort McDowell, handling any day-to-day issues, and serving as the primary contact person for the tribe.¹³⁹⁸ She reported that she does not know what Person X's role is or was with the tribe, or how, if at all, he assisted the Fiesta Bowl in negotiating or renewing the sponsorship.¹³⁹⁹ Pumphrey said that Person X's name did not come up in the 2006 or 2010 negotiations with Fort McDowell.¹⁴⁰⁰

Fields' recollection is similar: when asked what Person X did during the various negotiations, Fields responded, "I have never talked to Person X."¹⁴⁰¹ When asked if Person X was involved in any fashion during the recent negotiations, Fields stated, "Not to my knowledge."¹⁴⁰² According to Pumphrey, "I don't know if Fort

¹³⁹⁵ R00764-65.

¹³⁹⁶ Junker 1-11-11 Int. at 17.

¹³⁹⁷ Pumphrey Int. at 2.

¹³⁹⁸ *Id.*

¹³⁹⁹ Pumphrey Int. at 3.

¹⁴⁰⁰ *Id.*

¹⁴⁰¹ Fields 1-19-11 Int. at 5.

¹⁴⁰² Fields 1-19-11 Int. at 4.

McDowell is aware there is a contract between the Fiesta Bowl and Person X."¹⁴⁰³

Junker was also asked if the Fort McDowell Tribal Council knew that Person X was paid by the Fiesta Bowl.¹⁴⁰⁴ He responded, "I have no idea. I'm not aware, but it wouldn't surprise me if they didn't because I've heard they don't like him."¹⁴⁰⁵ He did state that he believed that President Dr. Clinton M. Pattea might be aware of the Fiesta Bowl contract with Person X.¹⁴⁰⁶

On January 27, 2011, counsel to the Special Committee wrote to each member of the Tribal Council for the Fort McDowell Yavapai Nation asking if each was aware of any agreement or arrangement whereby an individual or a company receives, on an annual basis, from the Fiesta Bowl, a percentage of the Yavapai Nation's sponsorship fee.¹⁴⁰⁷ In response to this letter, Diandra Benally, Assistant General Counsel for the Fort McDowell Yavapai Nation, wrote to the Special Committee's counsel on February 7, 2011, stating that neither the members of the Tribal Council nor the Nation's events department were aware of any such agreement or arrangement.¹⁴⁰⁸

Investigator Cooper made a number of attempts to reach Person X to schedule an interview by making calls to the number set forth in Person X's 2009 email to Junker.¹⁴⁰⁹ The calls either rolled to a message that stated that the voice mail box was full or rang twice

¹⁴⁰³ Pumphrey Int. at 3.

¹⁴⁰⁴ Junker 1-11-11 Int. at 17.

¹⁴⁰⁵ *Id.*

¹⁴⁰⁶ *Id.*

¹⁴⁰⁷ R00766-77.

¹⁴⁰⁸ R00778-79.

¹⁴⁰⁹ R01984.

and then went silent.¹⁴¹⁰ After making a number of calls to Person X's number, Cooper received an incoming call from that phone number, but the caller hung up after Cooper answered.¹⁴¹¹ Calls were placed to Person X once or twice a day for a period of weeks, without him either responding or calling back.¹⁴¹²

c. Husk Partners/HighGround

Husk is an attorney, a registered lobbyist, and a principal in Husk Partners, a public affairs consulting firm with five employees.¹⁴¹³ As an attorney, Husk provided legal services to the Fiesta Bowl.¹⁴¹⁴ Husk Partners also provided consulting and lobbying services for the Bowl.¹⁴¹⁵

The Bowl received two types of invoices from Husk, one from Gary Husk, attorney-at-law, and one from Husk Partners.¹⁴¹⁶ The Husk Partners invoices also included amounts for two additional public affairs firms—HighGround and Mario Diaz and Associates.¹⁴¹⁷ In addition, occasionally the Osborn Maledon law firm did work for Husk Partners, and these amounts were also included in the Husk Partners invoices.¹⁴¹⁸ All three public affairs firms were paid a flat monthly fee that varied over the years. Husk Partners generally received a monthly payment ranging from \$10,000 to \$12,500; HighGround, a monthly payment ranging from

¹⁴¹⁰ *Id.*

¹⁴¹¹ *Id.*

¹⁴¹² *Id.*

¹⁴¹³ Husk 11-3-10 Int. at 2.

¹⁴¹⁴ *Id.*

¹⁴¹⁵ *Id.*

¹⁴¹⁶ R01829-54; R01657-1826.

¹⁴¹⁷ R01657-1826.

¹⁴¹⁸ *Id.*

\$7,500 to \$10,000; and Mario Diaz and Associates, a monthly payment ranging from \$3,000 to \$5,000.¹⁴¹⁹ We have set forth in Schedule V the payments made to these three firms based on invoices and a payment summary from the Fiesta Bowl.¹⁴²⁰ A summary of this schedule is set forth below:

Payments from the Fiesta Bowl	
Husk Partners, No Detail Breakdown	\$ 429,979.25 (4-2-2003 through 3-15-2005 and 5-21-2010)
Husk Partners	\$ 775,906.25 (4-15-2005 through 10-08-2010) Includes Gen. Consulting/Lobbying
Gary Husk	\$ 85,985.47 (6-15-2004 through 10-08-2010)
HighGround	\$ 557,500.00 (4-15-2005 through 10-08-2010)
Mario Diaz	\$ 135,000.00 (4-15-2005 through 10-08-2010)
Osborn Maledon	\$ 78,041.72 (4-15-2005 through 10-08-2010)
Reimbursed Expenses	\$ 8,187.71
Total	\$2,070,600.40

Wisneski recalled that the Fiesta Bowl originally retained Husk to keep Junker apprised of legislative activity and that Husk then brought in Chuck Coughlin of HighGround, and Mario Diaz.¹⁴²¹ Coughlin stated that Diaz "was a consultant for the Democratic votes."¹⁴²² Coughlin continued, "We needed an inside person with the Governor's office [at the time, Democrat Janet Napolitano], and Mario fit the bill."¹⁴²³

¹⁴¹⁹ R01657-1826; R01829-54; R01857-59.

¹⁴²⁰ *Id.*

¹⁴²¹ Wisneski 12-9-10 Int. at 9.

¹⁴²² Coughlin Int. at 7.

¹⁴²³ *Id.*

Wisneski stated that she was concerned that the Fiesta Bowl did not have enough in the budget to cover all three (Husk, Coughlin, and Diaz).¹⁴²⁴ Wisneski recalled that Husk was upset with her recommendation that the Bowl not utilize Coughlin's services and told her that if she wanted to "cut him [Coughlin] off, you need to get John's approval."¹⁴²⁵ Wisneski said she shared her views with Junker, but there was no action taken with respect to Coughlin.¹⁴²⁶ In Wisneski's opinion, Husk had a way of influencing Junker, similar to what she observed with respect to her perception of Brown's influence over Junker.¹⁴²⁷ Wisneski said that she did not believe that Coughlin was doing anything to benefit the Bowl.¹⁴²⁸

Like Wisneski, Board and Executive Committee member Kemp Ellis said he had concerns regarding what he called the "exorbitant amounts" of money the Fiesta Bowl spent on Husk.¹⁴²⁹ Ellis stated that it seemed to him that Husk viewed the Fiesta Bowl "pretty much as his piggy bank."¹⁴³⁰

Others, however, spoke of some of the important accomplishments of Husk and/or Coughlin. In a statement prepared by his attorney, Husk noted the significant work he had performed over the years on behalf of the Fiesta Bowl.¹⁴³¹ Husk stated that Jamieson and Gutierrez, the predecessor to Husk Partners, was retained by the Fiesta Bowl Board of Directors to assist the Bowl in

¹⁴²⁴ Wisneski 12-9-10 Int. at 9.

¹⁴²⁵ *Id.*

¹⁴²⁶ *Id.*

¹⁴²⁷ *Id.*

¹⁴²⁸ *Id.* at 9-10.

¹⁴²⁹ Ellis 12-8-10 Int. at 6.

¹⁴³⁰ *Id.*

¹⁴³¹ R00781-83.

its efforts to pursue a new stadium and develop a comprehensive public affairs program that would expand the Bowl's business, governmental relations, and community relations.¹⁴³²

Junker recalled that the process of getting a new stadium built was a difficult one that began when Junker's children were quite young: "[W]hen they said their bedtime prayers at night, they would say, 'please help Daddy with his stadium.'"¹⁴³³ Junker noted, "It will be hard to find, but if you research it, you will hear that the reason the [Arizona Cardinals'] Stadium was built was when the Fiesta Bowl put its support behind it."¹⁴³⁴ Coughlin concurred.¹⁴³⁵

Husk also said that his responsibilities over the years included participating in the negotiation of stadium use agreements and cooperative agreements with governmental entities and their agencies.¹⁴³⁶ Junker noted that once the stadium was built, negotiating the various rights between the Arizona Cardinals and the Fiesta Bowl became a complicated matter, one that involved the Arizona Sports and Tourism Authority (AZSTA).¹⁴³⁷ Junker recalled that during the first meeting between the Fiesta Bowl and the Cardinals, they "offered us six suites to use on game day and they determined the price," and "it became a very difficult and contentious relationship for years."¹⁴³⁸ Junker stated "The only place

¹⁴³² *Id.*

¹⁴³³ Junker 1-31-11 Int. at 5.

¹⁴³⁴ Junker 1-31-11 Int. at 5.

¹⁴³⁵ Coughlin Int. at 3.

¹⁴³⁶ R00782.

¹⁴³⁷ Junker 1-31-11 Int. at 5; www.az-sta.com.

¹⁴³⁸ Junker 1-31-11 Int. at 5.

we found we could get support, from a practical standpoint, was from the legislators."¹⁴³⁹

Husk said another of his accomplishments was crafting and lobbying for legislation that would allow for the National Championship Game in 2007.¹⁴⁴⁰ Former Board Chair Ellie Ziegler agreed, noting that Coughlin and Husk were instrumental in "allowing the Fiesta Bowl to basically own game day."¹⁴⁴¹ Ziegler stated, "The legislature passed an initiative allowing the Fiesta Bowl to stage the game there and I believe receive the proceeds. Russell Pearce was the sponsor."¹⁴⁴²

Husk said his services were often used by the Bowl to solicit sponsorships and participation in events by key business and governmental officials.¹⁴⁴³ Husk noted that he was regularly complimented by each of the Board Chairs that served over the past 10 years and by individual Board members for his outstanding efforts.¹⁴⁴⁴

In his role as an attorney to the Fiesta Bowl, Husk said he represented the Fiesta Bowl in tax audits involving the cities of Tempe, Phoenix, and Glendale and the Arizona Department of Revenue, resulting in what he said was a net savings to the Fiesta Bowl in excess of \$1 million.¹⁴⁴⁵

¹⁴³⁹ Junker 1-31-11 Int. at 5.

¹⁴⁴⁰ R00782.

¹⁴⁴¹ Ziegler 1-5-11 Int. at 5.

¹⁴⁴² *Id.*

¹⁴⁴³ R00782.

¹⁴⁴⁴ *Id.*

¹⁴⁴⁵ *Id.*

d. Donnie Duncan

Donnie Duncan is a former coach, athletic director, and Big 12 conference commissioner who has served as a consultant to the Fiesta Bowl since 2006.¹⁴⁴⁶ Duncan's retainer letter, signed by Junker and invoking the authority of then-Board Chair Ziegler, describes Duncan's responsibilities as follows:

The specific nature of our work together would include planning for BCS format discussions upcoming in the years ahead, as well as methods in which our bowl games can best serve the interests of our home conference at the Big Twelve Conference to the highest levels in our industry. [¶] It is likely that other matters will be under discussion, including but not limited to issues pertaining to the NCAA and its treatment of postseason college football, television and sponsorship matters as well as assisting our planning for the implementation of the delivery of services to our competing teams each year.¹⁴⁴⁷

Duncan's letter agreement proposes a rate of \$4,000 monthly, plus "reasonable travel and per diem costs."¹⁴⁴⁸ Duncan has been paid this monthly fee since November 15, 2006.¹⁴⁴⁹ The Bowl also has paid certain expenses, which Duncan states were coach-class travel and generally cost conscious.¹⁴⁵⁰ The Bowl has also provided complimentary hotel rooms in Phoenix to Duncan's family.¹⁴⁵¹

¹⁴⁴⁶ R00802-03.

¹⁴⁴⁷ R00802.

¹⁴⁴⁸ *Id.*

¹⁴⁴⁹ *See, e.g.*, C00251; C00092; C00041.

¹⁴⁵⁰ Ellis 12-8-10 Int. at 5; Duncan Int. at 6.

¹⁴⁵¹ R00804; R00807.

Duncan has a long and varied history in college football and athletics. He served as an assistant football coach on the Oklahoma staffs of the early 1970s, as a head football coach at Iowa State University, where he hired Maek Brown as his offensive coordinator, as Executive Director of the Sun Bowl, as Executive Director of the Gator Bowl, as the Athletic Director of Oklahoma, on the NCAA Bowl Committee, on the NCAA Rules Committee, and in various roles with the Big 12 Conference, including Commissioner.¹⁴⁵² In the words of Board Member Ellis, Duncan is "one of the most respected guys in football."¹⁴⁵³ Former Board Chair Allen considers Duncan a great counselor and advisor.¹⁴⁵⁴ Current Board Chair Duane Woods remarked that "he has added value," and former Board Chair Young noted that Duncan is an ally of the Fiesta Bowl.¹⁴⁵⁵

Duncan describes his work as being exclusively focused on matters external to the Bowl and not on its internal workings.¹⁴⁵⁶ As part of Duncan's work, he has also spoken with legislators regarding the Fiesta Bowl, to "share what I knew" "in terms of what I saw as the BCS and what I viewed as the importance was on the part of college football and the Fiesta Bowl and if there is something that our city or community could do in maintaining our strength."¹⁴⁵⁷ As Duncan put it, "It's my understanding that the game this year will, in a certain manner, secure \$400 million to the state of Arizona. I don't think there's a city anywhere that wouldn't like to have that. So I think it's an ongoing competitive environment."¹⁴⁵⁸

¹⁴⁵² Duncan Int. at 2.

¹⁴⁵³ Ellis 12-8-10 Int. at 5.

¹⁴⁵⁴ Allen 12-8-10 Int. at 4.

¹⁴⁵⁵ D. Woods 12-16-10 Int. at 9; Young 12-16-10 Int. at 6.

¹⁴⁵⁶ Duncan Int. at 5.

¹⁴⁵⁷ *Id.*

¹⁴⁵⁸ *Id.* at 6.

Although we discovered no indication that Duncan ever requested it—and Duncan says he did not—Duncan also received an additional benefit in the form of college-savings account contributions made by the Fiesta Bowl to his granddaughters.¹⁴⁵⁹ The Fiesta Events, Inc. cash donation ledgers for 2008-09 show two donations to “Mr. & Mrs. Patrick Reardon,” who are Duncan’s daughter and son-in-law.¹⁴⁶⁰ These two \$5,000 payments are identified as a “scholarship for Allie Reardon” and “scholarship for Lexi Reardon,” Duncan’s granddaughters.¹⁴⁶¹

The 2009-10 FEI cash donation ledger shows two donations to “Mr. & Mrs. Patrick Reardon” in the amount of \$3,000 each, each denoted “Scholarship donation.”¹⁴⁶² The first two payments, totaling \$10,000, were approved by the Fiesta Bowl Board of Directors, as reflected in Board minutes.¹⁴⁶³

Duncan described the \$16,000 for his grandchildren this way:

The intent was, as a bonus to me, for the work that I had done in assisting with the BCS and I believe also the Insight Bowl. In general it was—we’re pleased with your work but we’re honoring you by doing something on behalf of you for your grandchildren and that is when it came about.¹⁴⁶⁴

e. Chuck Johnson

Charles “Chuck” Johnson is a former Board member and past chair of the Fiesta Bowl who served as a liaison between the BCS and

¹⁴⁵⁹ *Id.* at 9.

¹⁴⁶⁰ R00858.

¹⁴⁶¹ R00858.

¹⁴⁶² R00852.

¹⁴⁶³ R00811; *see also*, R00812.

¹⁴⁶⁴ Duncan Int. at 9.

the Fiesta Bowl.¹⁴⁶⁵ There was no written contract between Johnson and the Fiesta Bowl but since late 2004, the Fiesta Bowl has paid Johnson \$5,000 per month for his consulting services.¹⁴⁶⁶ The Fiesta Bowl ended its arrangement with Johnson on February 4, 2011.¹⁴⁶⁷

Johnson stated that before he began receiving payment from the Fiesta Bowl, he worked for many years on a pro bono basis.¹⁴⁶⁸ He said one of the things he did for the Bowl was put together selection models, identifying the quality of teams, and predicting their success.¹⁴⁶⁹ Johnson said his primary role has been to strategically stay in front of issues relating to the coalition bowls.¹⁴⁷⁰ He described this task as complex, pointing out that the BCS coalition originally had a 27-page contract while today the contract has grown to 250 pages.¹⁴⁷¹

Johnson said that although the Chairman of the Board of the Fiesta Bowl originally agreed to pay him \$5,000 per month in 2004, he did not receive any pay until fourth quarter 2007.¹⁴⁷² At some point in late 2007, Johnson said he met with Board members Stemple and Tilson and they gave him the okay to receive \$5,000 per month.¹⁴⁷³ Stemple corroborated this statement.¹⁴⁷⁴

¹⁴⁶⁵ Wisneski 12-9-10 Int. at 8; Fields 12-9-10 Int. at 7.

¹⁴⁶⁶ Johnson 12-9-10 Int. at 2-3.

¹⁴⁶⁷ Johnson 3-3-11 Int. at Addendum; R02787-88.

¹⁴⁶⁸ Johnson 12-9-10 Int. at 2.

¹⁴⁶⁹ *Id.*

¹⁴⁷⁰ *Id.*

¹⁴⁷¹ *Id.*

¹⁴⁷² *Id.* at 3.

¹⁴⁷³ *Id.*

¹⁴⁷⁴ Stemple Int. at 4.

According to Johnson, some months he worked 50-hour work weeks on Bowl issues.¹⁴⁷⁵ Johnson asserted in an email to the Special Committee that his compensation paled in comparison to the revenue he generates for the Bowl as BCS liaison, and that he has turned down lucrative business opportunities in favor of his commitment to the Bowl.¹⁴⁷⁶ Johnson described the compensation he received as trivial after expenses and taxes, and noted that the Bowl did not pay for expense items such as fax machines, cable, telephone, or other household expenses.¹⁴⁷⁷

The Bowl did, however, pay for extensive travel and entertainment expenses for Johnson,¹⁴⁷⁸ including first class airfare and hotel upgrades.¹⁴⁷⁹ Johnson's wife Mary accompanied him on many of the trips he took and the Fiesta Bowl paid for her expenses as well, including first class air travel.¹⁴⁸⁰ Johnson has asserted that his wife is an asset to his efforts for the Fiesta Bowl.¹⁴⁸¹

In 2007, the Fiesta Bowl reimbursed Johnson \$17,607.45 for a 12-day trip with Mary to Ireland with Notre Dame athletic director Kevin White and his wife Jane.¹⁴⁸² The \$17,607 bill included first class

¹⁴⁷⁵ Johnson 12-9-10 Int. at 2.

¹⁴⁷⁶ Johnson 3-3-10 Int. at Addendum.

¹⁴⁷⁷ Johnson 12-9-10 Int. at 3.

¹⁴⁷⁸ Schedule X.

¹⁴⁷⁹ *Id.*; see also Johnson 12-9-10 Int. at 4 (stating that he generally flies first class when there are connections or extensions that require him to travel long distances); see, e.g., E091088-89; E09172.

¹⁴⁸⁰ Johnson 3-3-11 Int. at 2.

¹⁴⁸¹ *Id.*

¹⁴⁸² Schedule X; Johnson 3-3-11 Int. at 3.

airfare to Ireland for Johnson and his wife (\$8,107.98), as well as hotels, meals, car service, and greens and caddie fees.¹⁴⁸³

The Fiesta Bowl also paid annual membership dues of \$4,156 for Johnson's membership at the Scottsdale Tournament Player's Club golf course.¹⁴⁸⁴ Johnson stated that this membership acquisition was approved by Junker.¹⁴⁸⁵ In past years, the Fiesta Bowl has also provided Johnson with a suite at the Fiesta Bowl, a practice that Chairman Duane Woods has since terminated.¹⁴⁸⁶

Johnson stated that until December 8, 2010 – when he was told he could no longer fly first class – the Fiesta Bowl had never provided him any policies with respect to limitations on expenses.¹⁴⁸⁷ He further stated that all of the expenses he incurred in furtherance of his work as BCS liaison were submitted to Junker for reimbursement, and were approved without question.¹⁴⁸⁸ We found no indication that Junker questioned any of Johnson's submitted expenses.

f. Renaissance Companies

David Tilson is a former Board chair who is currently a Vice President at Renaissance Companies, a full service commercial general contractor based in Scottsdale, Arizona.¹⁴⁸⁹ Tilson began volunteering for the Fiesta Bowl in 1984 as a member of the

¹⁴⁸³ Schedule X.

¹⁴⁸⁴ Schedule X; E01199; E01463; E01653; E01804; E01935.

¹⁴⁸⁵ Johnson 3-3-11 Int. at 4.

¹⁴⁸⁶ D. Woods 12-16-10 Int. at 9.

¹⁴⁸⁷ Johnson 3-3-11 Int. at 2.

¹⁴⁸⁸ *Id.* at 2-3.

¹⁴⁸⁹ Tilson 11-22-10 Int. at 2-3.

Committee.¹⁴⁹⁰ Tilson became a member of the Executive Committee in 2005 as Treasurer.¹⁴⁹¹ Tilson held that position for two years before becoming Chairman-Elect in 2007, Chairman in 2008, and Immediate-Past-Chair in 2009.¹⁴⁹² Since Tilson joined the Board, Renaissance Companies has been hired four times by the Bowl to do a variety of construction projects. According to Tilson and Wisneski, Renaissance Companies was the only contractor to bid on any of these construction projects for the Bowl.¹⁴⁹³

The first contract awarded to Renaissance Companies was a remodel of the Bowl's previous office space.¹⁴⁹⁴ That project arose when Tempe used its power of eminent domain to require the Fiesta Bowl to cut 10 square feet off all three floors of its office building to make room for a new light rail track.¹⁴⁹⁵ According to Tilson, he worked pro bono to obtain all of the necessary licenses and permits for the remodel, and then turned the project over to other Renaissance Companies employees to hire subcontractors and put together a budget.¹⁴⁹⁶ Tilson reported that Tempe paid the Fiesta Bowl \$400,000 for the loss of land and income, and Renaissance Companies put together a remodel budget for the same amount.¹⁴⁹⁷ Tilson recalled that Junker took the budget to the Board, which voted to approve it.¹⁴⁹⁸ Tilson reported that he abstained from that vote.¹⁴⁹⁹

¹⁴⁹⁰ *Id.* at 2.

¹⁴⁹¹ Tilson 2-15-11 Int. at 1; Tilson 11-22-10 Int. at 3.

¹⁴⁹² *Id.*

¹⁴⁹³ Tilson 2-15-11 Int. at 4-5; Tilson 3-3-11 Int. at 2; Wisneski 12-9-10 Int. at 11.

¹⁴⁹⁴ Tilson 3-3-11 Int. at 1-2; Wisneski 12-9-10 Int. at 11.

¹⁴⁹⁵ Tilson 3-3-11 Int. at 1.

¹⁴⁹⁶ *Id.* at 1-2.

¹⁴⁹⁷ *Id.* at 2.

¹⁴⁹⁸ *Id.*

In late 2005, the Fiesta Bowl hired Renaissance Companies to design and construct the Fiesta Bowl Museum and offices.¹⁵⁰⁰ Tilson explained that after the eminent-domain remodel, it was clear that the loss of square footage would require the Bowl to find a new office space.¹⁵⁰¹ Tilson states that as Laybourne began looking around town, Laybourne was approached by the Scottsdale Assistant City Manager who advised that the City owned 5,000 square feet of retail space and that the condominium space directly above it was on the market.¹⁵⁰² Tilson reports that the City suggested that the Bowl move into that space and asked that the first floor be converted into a museum as part of the deal.¹⁵⁰³ The Board met and approved the purchase of the retail property for a museum on the first floor and the condominium space for offices on the second floor.¹⁵⁰⁴

Without putting the project out to bid, the Bowl hired Renaissance Companies as the general contractor.¹⁵⁰⁵ Tilson stated that upon his boss' request that the project be executed at arm's length, he did not work on the project as an employee of Renaissance.¹⁵⁰⁶ Tilson recalled that once a budget was put together by the Renaissance team, Junker took it to the Board where it was approved.¹⁵⁰⁷ Tilson stated that during that same Board meeting, Director Tom Fredina suggested that the Bowl sell the naming rights

¹⁴⁹⁹ *Id.*

¹⁵⁰⁰ Tilson 3-3-11 Int. at 2; R01620; R01621.

¹⁵⁰¹ Tilson 3-3-11 Int. at 2.

¹⁵⁰² *Id.*

¹⁵⁰³ *Id.*

¹⁵⁰⁴ *Id.*

¹⁵⁰⁵ *Id.*

¹⁵⁰⁶ *Id.* at 4.

¹⁵⁰⁷ *Id.* at 2.

to the museum to help cover costs.¹⁵⁰⁸ According to Tilson, Ziegler contacted Junker that night and said that she and her husband would like to purchase the museum naming rights.¹⁵⁰⁹ Tilson explained that when Ziegler purchased the naming rights, she did not purchase control over the project and did not try to exercise any control.¹⁵¹⁰ Tilson recalls that the total cost to the Fiesta Bowl of the project was \$1.3 million.¹⁵¹¹

On New Year's Eve 2009, pipes beneath the Museum burst, causing flood damage.¹⁵¹² Tilson reported that Junker asked him to put together a budget for the repairs for submission to the Bowl's property insurer.¹⁵¹³ Tilson had a team of his colleagues prepare a budget, which the Bowl submitted and the insurer approved.¹⁵¹⁴ Tilson explained that this project did not come before the Board because it was covered by insurance.¹⁵¹⁵

The fourth project undertaken by Renaissance Companies for the Bowl is still underway but nearing completion.¹⁵¹⁶ It is a large patio build-out intended to celebrate the Bowl's 40th anniversary.¹⁵¹⁷ Tilson told counsel to the Special Committee that Junker asked him to determine whether the patio project was even feasible.¹⁵¹⁸ Tilson

¹⁵⁰⁸ *Id.*

¹⁵⁰⁹ *Id.* at 2-3.

¹⁵¹⁰ Tilson 3-3-11 Int. at 2.

¹⁵¹¹ *Id.* at 4.

¹⁵¹² R01937-42.

¹⁵¹³ *Id.* at 3.

¹⁵¹⁴ *Id.*

¹⁵¹⁵ *Id.*

¹⁵¹⁶ *Id.*

¹⁵¹⁷ *Id.*

¹⁵¹⁸ *Id.*

undertook this assessment and did not charge the Bowl for what he described as the dozens of hours it took him to do so.¹⁵¹⁹ Tilson worked with the City of Scottsdale on licensing and permit issues.¹⁵²⁰

Wisneski reported that Junker wanted to contract the work without a bidding process and reported to her that Tilson could use the work and it would help him out.¹⁵²¹ Wisneski reported that the project was budgeted at \$100,000, but the Board approved it at \$300,000.¹⁵²² Board Member Lewis reports that the patio project was "approved by Dave Tilson," and also believed that it was not sent out for a competitive bid.¹⁵²³ The Board of Directors meeting minutes relating to the patio expansion read as follows:

40th Anniversary Project: Tilson reported on ideas discussed for the celebration of our 40th anniversary and that it was decided that expansion and development of the back patio area was a great option, in that it would provide a medium with which we could provide recognition and appreciation for partners and volunteers. He gave a presentation displaying plans that have been developed for the area. Junker noted that it was Chairman Woods' concept to undertake a 40th Anniversary project that could be utilized to recognize the contributions of past volunteers, and he thanked Tilson for his hard work on this project that could mean so much to surviving families of our wonderful volunteer force. Discussion ensued and there appeared to be widespread support for the plan. Tilson was directed to move forward to determine feasibility with local important players on the project including Olive and Ivy Restaurant,

¹⁵¹⁹ *Id.*

¹⁵²⁰ *Id.*

¹⁵²¹ Wisneski 12-9-10 Int. at 11.

¹⁵²² *Id.*

¹⁵²³ Lewis Int. at 4.

City of Scottsdale and local homeowners and retail ownership. Tilson noted he believed the project could be accomplished with a budget of \$300,000.¹⁵²⁴

The minutes do not reflect that Tilson was disclosed as the contractor, nor do they refer to any disinterested investigation into the use of a potentially conflicted contractor, as discussed below. Tilson reported that after the Board voted to approve the project, he turned it over to a team of his colleagues at Renaissance Companies for execution.¹⁵²⁵

The Fiesta Bowl has adopted a conflict of interest policy, which appears to have been originally drafted and circulated in August of 2003.¹⁵²⁶ The most up-to-date version of that policy reads:

The purpose of the conflicts of interest policy is to protect The Arizona Sports Foundation, Valley of the Sun Bowl Foundation, Fiesta Events, Inc., and The Arizona College Football Championship Foundation (collectively, the "Foundations"), interests when any one or all of the entities is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundations. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations.¹⁵²⁷

The policy goes on to outline procedures for (1) determining whether a conflict exists, (2) addressing and disclosing a conflict or potential conflict, and (3) dealing with violations of the conflict of

¹⁵²⁴ R01623.

¹⁵²⁵ Tilson 3-3-11 Int. at 4.

¹⁵²⁶ R01625-29.

¹⁵²⁷ R01630.

interest policy.¹⁵²⁸ The policy requires disclosures of any actual or possible conflicts of interest, followed by a disinterested investigation into the nature of the transaction.¹⁵²⁹

A March 20, 2006 email suggests that both the Conflict of Interest policy¹⁵³⁰ and the Code of Ethics were printed and distributed to all Board members for execution at a Board meeting held on that date.¹⁵³¹ An email dated June 6, 2006, confirms that signed forms were collected from every active Board member, which would have included then-Treasurer Tilson.¹⁵³² Again, on January 22, 2009, the Conflict of Interest policy and Code of Ethics were circulated to all active Board members including Tilson.¹⁵³³ Records indicate that Tilson executed and returned those documents the same day.¹⁵³⁴ Tilson told counsel to the Special Committee that he signed a conflict-of-interest form each year he sat on the Board of Directors.¹⁵³⁵

13. Auditors

PricewaterhouseCoopers (PwC) was retained to provide the Bowl's outside independent audit function in 2007.¹⁵³⁶ KPMG previously had served as the Bowl's auditors.¹⁵³⁷

¹⁵²⁸ R01631-32.

¹⁵²⁹ R01631.

¹⁵³⁰ R02424-26.

¹⁵³¹ R01634-44.

¹⁵³² R01645.

¹⁵³³ R01646-53.

¹⁵³⁴ R01654-56.

¹⁵³⁵ Tilson 3-3-11 Int. at 4.

¹⁵³⁶ D'Angelo Int. at 7.

¹⁵³⁷ R00984-1096.

KPMG's cover letters noted that the accountants audited the statements of the entity's "financial position" and "related statements."¹⁵³⁸ KPMG noted that the audits were done in accordance with generally accepted auditing standards,¹⁵³⁹ and that the financial statements that were audited were the responsibility of the entity's management.¹⁵⁴⁰ PwC similarly noted that the audits were done in accordance with generally accepted auditing standards and were based on the financial statements, which were the responsibility of management.¹⁵⁴¹

Executive Committee members were asked about their involvement with the financial statements of the Bowl. Executive Committee member Ellis stated that he was not given much information about the Fiesta Bowl finances and that he had seen very few financial statements.¹⁵⁴² He stated, referring to Junker and his staff, that "[t]hey don't tell the board members anything," and there "is not much transparency" about the Bowl's expenditures.¹⁵⁴³ Former Board Chair Flores remarked that unless there were indicators of impropriety or worse, he assumed Junker always had the best interests of the Bowl in mind.¹⁵⁴⁴ In Flores' opinion, the Chairs trusted the staff, and the Board took an overarching view of operations, including budget and activities, but did not burrow into day-to-day activities.¹⁵⁴⁵ Mark Vinciguerra, who served as Executive Committee Treasurer in 2008 and 2009, was asked about whether the

¹⁵³⁸ *Id.*

¹⁵³⁹ *Id.*

¹⁵⁴⁰ *Id.*

¹⁵⁴¹ R01097-1154.

¹⁵⁴² Ellis 12-8-10 Int. at 1.

¹⁵⁴³ *Id.*

¹⁵⁴⁴ Flores Int. at 3.

¹⁵⁴⁵ Flores Int. at 3.

Board performed any "consistent overview of the budget and reporting, giving updates, keeping track of all the funds."¹⁵⁴⁶ He responded:

There was no monitoring. It was not the Treasurer's responsibility to monitor, but rather it was a staff and auditor function. I asked John Junker and Natalie up front what is expected from me, I mean what is my role, and they told me to basically work with the auditors, talk with the firm, Price-Waterhouse.¹⁵⁴⁷

Each of the audits reported some variation of the statement that the audit included "examining, on a test basis, evidence supporting the amount and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement position."¹⁵⁴⁸

Each of the audits we reviewed (since the year-end March 31, 2001) noted that the audited entity is a 501(c)(3) and entitled to tax exempt status.¹⁵⁴⁹ Other than that acknowledgement, it is not clear if any additional work was done by the auditors—or was asked of the auditors—relating to maintaining or preserving that status. For example, in the KPMG audit delivered June 18, 2004, KPMG's notes included a mention of related party transactions:

In April 2002, the Foundation issued two unsecured promissory notes to two senior executives in the amount of \$100,000 each. Annual principal payments of \$10,000 are

¹⁵⁴⁶ Vinciguerra Int. at 3 (redline).

¹⁵⁴⁷ Vinciguerra Int. at 3 (redline).

¹⁵⁴⁸ R01137; R00984-01096; R01097-01154.

¹⁵⁴⁹ R01143; *see also* R00984-01154.

due on each note. The balance outstanding on March 31, 2004 was \$180,000 and is included in other receivables.¹⁵⁵⁰

During each year of the loans, Junker and Blouin received an extra bonus, grossed up, to make the payments on the note.¹⁵⁵¹ These loans were noted each year during the audits, up until the time PwC decided it was best to eliminate them from the books.¹⁵⁵² At that point, the Bowl provided a bonus to Junker, grossed up to cover his taxes, so that he could pay off the loan.¹⁵⁵³ It is not clear from the audit itself if any concern was raised about whether providing an interest-free unsecured note to executives of a non-profit was potentially problematic for a 501(c)(3) organization. Similarly, it is not clear to what extent the auditors examined – or were asked to examine – the expenses incurred by the Bowl and whether certain of the expenditures (of the kind or quanta discussed in this report) were visible to the auditors or subject to any scrutiny.

PwC's June 2010 report to the Audit Committee, in a slide called "Audit Process[;] Business Risks and Audit Procedures," included four bullet points: "Management Override of Controls," "Understanding of processes and controls," "Manual journal entry testing," and "Inquiries at all levels of the organization."¹⁵⁵⁴ The report also notes that "the onengagement team met with Grant Woods and discussed the scope and results of his investigation."¹⁵⁵⁵ D'Angelo reported that Woods had told PwC, in the spring of 2010, that the investigation was complete, that it included the review of state and federal political contributions, bonus payments, and

¹⁵⁵⁰ R01028.

¹⁵⁵¹ Schedule A.

¹⁵⁵² Young 2-18-11 Int. at 2.

¹⁵⁵³ C00034; R01960-61; R01125; Young 2-18-11 Int. at 2.

¹⁵⁵⁴ R01199.

¹⁵⁵⁵ R01200.

expense reports, and D'Angelo was "looking to feel comfortable with the financial statements taken as a whole."¹⁵⁵⁶ As D'Angelo put it, PwC needed to confirm that the investigation would support the fact that "the management that issued the financial statements could be trusted."¹⁵⁵⁷ PwC then issued its audit report.¹⁵⁵⁸

The most recent work by PwC included a two-to-three day on-site review.¹⁵⁵⁹ PwC also signed the Bowl's tax returns.¹⁵⁶⁰ According to PwC's Adam D'Angelo, the Lead Partner at PwC for the Fiesta Bowl, "We review and sign the returns."¹⁵⁶¹ When asked "When you say you reviewed the returns, you did not prepare them," D'Angelo responded, "Angela Holt prepares them and then we review them, but we sign them as preparer."¹⁵⁶² D'Angelo described the review process and stated that PwC did not look at expenses when they reviewed the returns, saying only that "we might recommend that they tighten up certain areas and we also submitted the report to our National Office for review as part of an overall compliance standpoint."¹⁵⁶³ D'Angelo reported that they would work closely with the Audit Committee but that he could not recall a material weakness or significant deficiency.¹⁵⁶⁴ D'Angelo stated that based on what he has been told to date, there are certainly inappropriate

¹⁵⁵⁶ D'Angelo Int. at 2-3, 4.

¹⁵⁵⁷ D'Angelo Int. at 4 (redline).

¹⁵⁵⁸ R01135-01154.

¹⁵⁵⁹ D'Angelo Int. at 9.

¹⁵⁶⁰ *Id.*

¹⁵⁶¹ *Id.*

¹⁵⁶² *Id.* But see D'Angelo Int. at 9 (redline) (indicating the Michael Fleming, another PwC employee who had joined the interview, made this statement).

¹⁵⁶³ *Id.*

¹⁵⁶⁴ *Id.*

areas, but in reference to the financial statements, "[t]hey seem to be fine."¹⁵⁶⁵

IV. Conclusion

As noted at the beginning of this report, the Special Committee, through its counsel, completed its investigation without any purpose to prosecute, defend, or implicate any entity or person. The Special Committee has not applied the above-reported facts to any statements of law, nor has it made any credibility determinations. It has not made or implied any findings of fact. It accordingly disclaims any attempt to view its report in any such light.

As always, counsel to the Special Committee remains available to answer any inquiries from the Special Committee, provide additional documentation or information, or otherwise be of service to the Special Committee.

This public version of the report has had removed from it information subject to contractual confidentiality provisions, as determined by the Fiesta Bowl. All decisions related to the publication of this report, as well as the scope of any waivers needed to make it publicly available, have been made by the Fiesta Bowl, and not by the Special Committee or its counsel.

¹⁵⁶⁵ *Id.* at 10.